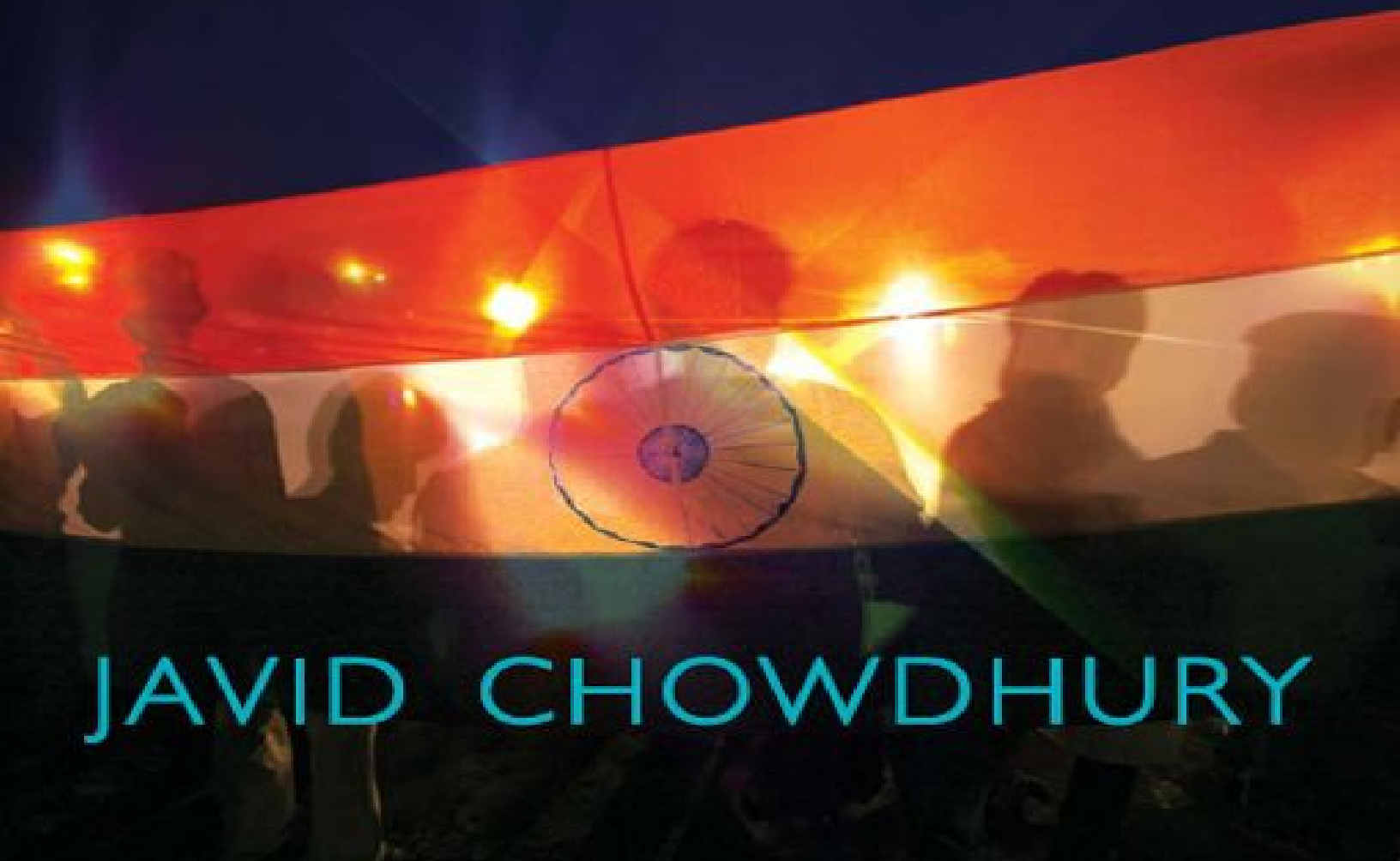


THE INSIDER'S VIEW

MEMOIRS OF A PUBLIC SERVANT



JAVID CHOWDHURY



Penguin

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The Insider's View
Memoirs of a Public Servant

PENGUIN

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*For Shama, who had a passion for crafting the right word
to capture the human experience—it is sad that she left too
early to see this.*

*And for Rishad and Shaheen, who may dip into this and
discover some not-so-familiar ideas from a universe
different from the one they engage with now.*

Preface

Launching upon this odyssey of my professional life, I've wondered about people who pen their memoirs. Those whose decisions set off a chain of momentous events often seek to write hard-core autobiographies to record their contribution to posterity. These charmed men and women are few. What about the experiences of many others that reflect the slow, imperceptible percolation of new ideas of change in the consciousness of society? Are their journeys less worth recording than the milestones of history? My perception is that the socioeconomic trickle that percolates through the cracks of human understanding constitutes the principal catalyst for the evolution in societal consciousness. More often than not, the socioeconomic dynamics set up the compelling circumstances and the State responds to those impulses by taking concrete governmental initiatives. These memoirs are an affirmation of this understanding of the processes of social and economic change. In this, I recall my years as a public servant in the backdrop of the transforming society and economy in India. The course of the socio-economic processes that are changing our society, as seen through my personal prism during my professional career, is what I propose to recall in my memoirs.

I realize that, while I have had an interesting professional life, there are any number of people who have had reasonably interesting lives. I may not have been at the centre of many historic events. However, I would venture to claim that as a senior civil servant, I have often occupied reasonably key positions in the apparatus of governance, for close to four decades. By virtue of that, I have held a vantage point to observe the national scene in these eventful decades. While the events unfolded, quite often I was the government functionary, standing on the edge of the frame and converting them into government decisions. It is to record how society pushed and pulled over that eventful period, starting in the mid-sixties, that I place my thoughts on paper.

Over my four decades' career the impact of such far-reaching socio-economic changes is starkly evident in the process of empowerment of the Dalits and intermediate castes in the last five decades. As we started our post-Independence journey from a semi-feudal society, there were large areas that required social re-engineering. In the course of time, the intermediate castes began to recognize the power of the vote and started consolidating this power. The resulting flux was conducive for the intermediate castes to assert themselves in democratic politics. The situation was ripe for a social upheaval; politics led to the inevitable empowerment of the intermediate castes.

Inter-community relations have also been marked by violent confrontation in the post-Independence period. Unfortunately, the bitter circumstances of Partition still cast a shadow on the Hindu and Muslim communities in the new India. The roots of these tensions are embedded deep in the psyche of the two communities, and often elude rational scrutiny. Tragically, the emotional space of our citizenry has been wastefully occupied by such inter-community stresses and strains.

It is these impressions of the macro-level social processes—a mosaic of fact, memory and judgment—that I will set out in the memoirs. I believe, that my recollections of the eventful past five decades could reveal something that is of value to those interested in the country's contemporary

history. The approach to the recording of these memoirs is in part anecdotal, and in part an analysis of key contemporary social and economic issues. Since significant social change is always against the existing grain, the examination of issues will necessarily throw up some contrarian views. Each anecdote recalled in the memoir attempts to illuminate a facet of this evolving socio-economic reality.

Return to My Roots

I come from what can be described as a mixed background. My father was a Bengali from what is now Bangladesh; my mother was from the undivided Bombay state. I was born in a small town—Khambhat—in what is now Gujarat state. In that sense I am a Gujarati, though I have not taken permission of the Chief Minister to claim so! I grew up in Dehra Dun in the erstwhile Uttar Pradesh; went to college in Delhi; and served much of my career in the Gujarat state cadre of the Indian Administrative Service (IAS). It would clearly be very difficult for me to confine myself to one parochial identity.

A REPLANTED SAPLING

Despite being an original son of the soil, my first extended stay in Gujarat was after I joined service. Many aspects of the scene in Gujarat came to me as a great discovery. In some ways I suffered the root-shock of a replanted sapling in leaving my home in Dehra Dun. Nadiad Prant, where I was first posted, was an endless expanse of level farmlands, dull brown in the fallow season. This was a different world from the lush foliage I had all around me in Dehra Dun. My father was a scientist in the Forest Research Institute, located in an idyllic estate outside the town. The Englishmen, who had built the township, quite plainly had a deep respect for their pristine surroundings. Each building—whether for the research institute or for residential purposes—was carefully located, ensconced between the native trees and shrubs. The house and the surrounding vegetation was all of one piece; nature could not complain that it had been violated. The house had vast expanses of lawn surrounded by thick clusters of trees. One side overlooked a nullah, which was pure and largely untouched. Beyond it was the shallow spread of the Tons, a seasonal river. And beyond that were the Himalayan foothills on which sat Rajpur, and still higher up, Mussoorie. An all-pervading serenity was ever-present. Nature in its untouched form was so much our normal surroundings that, perhaps, we took it for granted. Later, when I arrived in Nadiad Prant on my first posting, after the rabi crop had been harvested, the endless and featureless vista of dull brown fields deeply disoriented my mindscape.

In my later years, with the growing work stress, at one stage I came to feel the need to—if I may use that expression—‘still’ my mind. What could be better than the yogic exercise of meditation? The simple practice of stilling the mind upon a steady image, without any judgment or possessiveness, came to my assistance. Unfortunately, I have never been blessed with any spiritual faith of any variety whatsoever. My values, to the extent that they exist, are entirely of the contingent type. In fact, I have always envied those within my circle who have been touched by some spiritual experience. In any case, if I took to some simple form of meditation, what would I set my mind on? Unbelievably, when I began to practise meditation, the picture that spontaneously loomed up in the calm of my mind was a scene from my Dehra Dun days that has haunted me over the years. Past the nullah that I have

described, there was a narrow kuccha path winding through a thick plantation around the spur of the hill, which finally arrived at a broad flood plain that gently drained into the Tons river. We often took this route when we went to fish for fingerlings in the river. And as I meditated, my mind spread over the widening flood plain, with its scattered ber shrubs, with a few rounded stones littered around, and with the Tons twisting its way in the distance, a gentle hum in the background. It was that quiet scene that set me at peace with myself and one which continues to serve me whenever I feel the need to disengage from self-created pressures. That moment of peace seemed to capture all that I longed for. When I relive the past, my mind invariably settles on that flood plain, gently merging into the slow-flowing Tons.

MY PRIVATE LIBRARY

Exposure to Gujarat was, in many other ways also, novel for me. I was struck by the ever-restless Gujarati, busy with this or that practical activity. In those days, if Gujarati youngsters went for higher education, the preference was for chartered accountancy and the engineering disciplines, particularly textile engineering. The preferred education was entirely employment-oriented. Youngsters also took the conventional BA and BSc courses, but only with the intention of moving into some practical vocation later on. I do not mean this patronizingly because I consider myself particularly cerebral; in fact, I am quite the opposite. But, I did spend most of my free time reading—I read anything available, from newspapers to thrillers, to serious fiction and non-fiction. Nadiad was then a small town with cheek-by-jowl dwellings. It had almost nothing by way of entertainment. There were a few crumbling cinema halls, but the musty atmosphere and the odd films shown were not very welcoming. There was no general bookshop in the town—only little holes-in-the-wall shops selling textbooks and guide books. The only spot where I could pick up something to read was the tiny A.H. Wheeler’s stall at the railway station. Most of the stall’s collection consisted of self-improvement books—*How to Improve your English*; *Five Steps to an Improved Personality*; *The Secret to Success*; *English Fluency in One Month*, etc. Other than these, there were the occasional mysteries, a few paperback classics and some lurid novels in the Gujarati language. Whenever I felt bored, I went and picked up a few books and magazines from the stall. The booksellers had some faded memory of the all-weather classics from their university days, which they offered for sale in the pocket book format. That is when I came to improve my education by reading the time-tested masters—Emily Brontë, Jane Austen, Thomas Hardy and other such durable authors. In the course of time, the number of books in my collection rose to about a hundred.

One day my landlord, Ranchod Kaka, who lived on the ground floor, dropped by. He was a kindly soul who had never previously set eyes on an animal from north India. By way of conversation, he frequently expressed wide-eyed wonder at some of my doings—that I read late into the night and got up late the next morning; that I was somewhat casual in spending (one of his favourite stories was how I had used a hundred rupee note [not an insignificant amount in those days] as a bookmark, and later lent the book to a friend!); that I was not married; that I did not feel lonely living away from my parents and siblings; and so on. One day, we were sitting next to the bookshelf containing my intellectual assets of about one hundred books. Then, in praise he said: ‘You read so much. You read

throughout the night.’ And then pointing to the shelf: ‘*Ane juo e tamare ketli saras, motee library che. Aa badha vanchwa ma tamne ketlu samay lagyun hashe?*’ (And look, what a large library you have got. How long would it have taken you to read all these?). For a moment I thought he was mocking me—that miserable row of paperbacks being called a library. But he smiled benignly, shaking his head as he said this, and it was obvious he meant well—it was beyond his understanding that books are no burden. As a long-lost son who had returned to Gujarat, it came as a revelation to me that in Gujarat, books must be worshipped, but they need be read only if there is a proximate practical value.

JAMVANU!

Having a Gujarati lineage, I had been exposed to their culinary style from my young days. The use of sugar and jaggery in the *subzi* or *dal* in the conventional north Indian household would be considered lunacy, but in our house it was acceptable as a variety in recipe. During my vacations, when I went to my mother’s ancestral home, the eating habits there were quite Gujarati. Even in non-vegetarian, Muslim households, the meal started with the sweet dish. The traditional community meal on a special occasion, say a wedding, was an eye-opener. Seven or eight persons sat around a huge metal *thaal*. The food was placed in the centre—pulao in a heap, along with bowls of curries—and each person drew away the portion he wanted, close to him. The first time this presented horrifying possibilities of someone’s gravy flowing into someone else’s heap of pulao! The thought of eating from a *thaal* was much more difficult than the actual experience. Many of the persons sitting around a *thaal* are well-practised in it and could eat fairly neatly, obviating the possibility of someone eating someone else’s portion. Now with people accustomed to eating in separate dishes, this old practice of community eating seems odd. But the custom actually has its roots in community solidarity and once you get used to the idea, it is charming to think of eating along with your brothers and sisters from a common heap of food.

The traditional vegetarian Gujarati cooking is extremely elaborate. Some may complain that you have to cultivate a taste for it. The festive *thali* has an enormous number of items, sometimes as many as fifteen. Often the sweet dish is the main dish. Gujarati cuisine is based on a liberal use of cooking oil. The star items on the traditional *thali* are deep-fried savouries. The entire process of preparing a festive meal is a very time-consuming one. In today’s world we can only hope to be treated to a full-range *thali* at a very well-organized household on an occasion like a wedding; most of us, if we feel like having a traditional Gujarati meal, turn to Vishala restaurant when in Ahmedabad.

Gujarati savouries, it can be rightly claimed, constitute the pride of its cuisine. If a state dish were to be notified, like say a state animal, the race would be between *fafda* and *ganthia*, two deep-fried savouries made of gram flour. Fans of these items can have them at any time of the day or night and in any quantity. They are considered the most exotic form of breakfast food, along with jalebis. In my time, I have been offered *fafdaganthia* at hours ranging from three in the afternoon to ten the next morning: ‘*Saheb thodun breakfast, thodun kaink fafdaganthia ho jaye*’ (Saheb a little snack, let us have a little *fafdaganthia*). It is, no doubt, an extremely tasty snack, but people unfamiliar with it need to be forewarned that even small quantities can make one’s tummy go ballistic! Gujarat is a truly unique state—at one stage during the national Emergency, *fafda-ganthias* were placed under price

control under the Essential Commodities Act! No one considered it a frivolous application of the law.

MY JEEVES

A perennial problem for the bachelor-officer is to establish a housekeeping arrangement that ensures a reasonably clean and orderly house, along with a cooking arrangement where the food is not inedible. On my arrival as the Resident Under-Secretary in the secretariat, I sent out word for a suitable retainer. Domestic helps were hard to come by. Most of the persons who responded, when asked what work they knew, replied they would do anything I wanted. This was a euphemism for admitting that they knew nothing, but were willing to learn. This was of no use to me. Who would train the person and how would I cope while he learnt? One, Devji Parmar, who had presented himself as a candidate, looked somewhat less unpromising than the others. He was from the neighbouring slum cluster, romantically named Gulbai Tekra. Devji had worked as an assistant to a canteen cook, which meant he had washed the utensils and watched the cook turn the ladle. Well, beggars can't be choosers, and so Devji was retained. He had limited cooking skills, but at a pinch he could make a *shaak* and *bakhris* for any friend who dropped by. His limited range of items had become a joke between us. In the evening I would ask: '*Devji, shoon banayun?*' (Devji, what have you made?) And Devji with a wide, disarming smile would say: '*Vatatanun shaak ane dal*' (potato curry and dal). It took me a long time to adjust to the idea of potatoes being called a shaak. One saving grace was that Devji had no hang-up about non-vegetarian food, which I could buy from a takeaway and bring in—in Gujarat it would be difficult to find a *rasoia* (cook), except from the Dalit or minority communities, who did not have qualms about non-vegetarian food being brought into the kitchen. All in all, Devji kept me going for the period of my posting. On my transfer I gave him a certificate saying that he had served me with dedication and distinction.

The Learning Years

Forty-five years ago, a new entrant to the civil services was generally a graduate or post-graduate in the humanities or the social sciences. The in-service training he went through as a probationer was not structured in any systematic way to equip him for his future responsibilities. The new entrants had made the services after a gruelling examination and were generally in a carnival mood, and were hardly inclined to undergo professional training even to meet the demands of the early years of their careers. But despite this, what came to be implanted in the entrants is best conveyed by a contemporary word—attitude. The behaviour, views and values of our instructors stamped on us indelibly the credo of public interest and commitment to service in an objective and even-handed manner. As an irreducible requirement, our personal conduct, whether financial or social, had to remain impeccable.

I have frequently mentioned this subconscious absorption by the entrants. Contemporary readers may well treat this as being excessively sanctimonious and bogus. This would be a real risk in an age when stories of large-scale devastation of public interest by public servants (both political and bureaucratic) are daily news. But let me hasten to qualify that. The civil servants of that era have no claim to sainthood! Speaking for myself, I must have strayed countless times during my career. But still I would venture to claim—and that would be true for many civil servants of my age—that when I came to reflect upon things calmly after committing a lapse, the standards against which it was measured were those that I had imbibed in those early years.

INTEGRITY: AN END IN ITSELF

The question of integrity was an obsession for the civil servants of my time. Incompetence, stupidity, poor interpersonal relations, all these failings could, at a pinch, be tolerated; but the slightest whiff of financial impropriety was the end of the civil servant's existence. An insistence on financial integrity is not a down-market value by itself in any day or age, but it seems to me that it was then used collaterally to establish the unchallenged fiat of the administration. The revenue administration of those days was small by any standards, and enforcement of law and values was achieved largely through the atmosphere of willing compliance.

Sometimes issues related to financial propriety reached ludicrous proportions. The revenue administration of the sixties set much store on the annual closure of revenue accounts—the *Jamabandhi*. This became an occasion for rigorous verification of the various land records. Land revenue rates were nominal—a rupee and some annas per bigha; therefore, the entire amount of revenue from a village was not large by any standards. But, the exercise of tallying the annual village accounts generated a doctrinal frenzy that would make the present-day economic fundamentalists look like frivolous school kids.

In my early service days, one case of deviance in the scrupulous maintenance of revenue accounts was often mentioned in hushed tones. In a particular village, the *talati* had underestimated the government revenue due by a few hundred rupees, and had failed to deposit it in the treasury. The seriousness of the error, as then perceived, was that the revenue deposited was short of the value of the receipts issued to the landowners and so amounted to misappropriation. Incidentally, after this default was uncovered, the talati made good the amount by paying it into the government treasury. Whatever may have been the intention of this talati, he came to be charged for ‘temporary misappropriation’ of government revenue. The question, as to what punishment should be meted out, went back and forth, and believe it or not, finally ended up on the table of the Chief Secretary. He was the first Chief Secretary I encountered in my career—a grave, silent individual who was never seen in public in less than his bandhgala. To him the issue was crystal clear—the talati had misappropriated government revenue, even if temporarily, and must be dismissed. So the wheels of justice ground fine and the hapless talati went home in disgrace.

The harshness of the penalty in cases of financial impropriety was excessive, even judging by the then-prevailing value of money. As mentioned earlier, these standards were maintained by relying on deterrence to create an atmosphere of awe for the legal and regulatory regime. With such an uncompromising atmosphere, defaults were few and the limited number of revenue administrators could maintain the requisite standard of order.

In the early years of our service, even though we often found ourselves handicapped for want of adequate professional skills, this did not seriously impact on the quality of the administration. This is not intended as a defence of ineptitude. For one, most of the civil service entrants were quite quick on the uptake and took little time in picking up the ropes. But more importantly, amongst the citizenry there was absolute confidence in the bona fides and the integrity of the new entrants. The citizens who happened to be the sufferers of some ill-considered decisions, never felt cheated. The work situations faced by the new entrants of our time required empathy; capacity to identify and rectify social inequity; a reverence for the law as understood by them; and a readiness to harmonize a situation that involved several stakeholders. These issues did not compulsorily require hard-core technical skills in the science of management, though of course such skills, if they had been imparted, would have been of assistance. The softer skills—empathy for the underprivileged; even-handedness and impassivity to any pressure from any side at any level; and reverence for the law—were adequate to see the inexperienced newcomers through.

When I scroll my memories I am horrified to recall the number of stupid decisions I have taken in my early years, either on account of impatience, or on account of ignorance of law and procedure. There was one never-to-be-forgotten incident in particular. After I had inflicted a particularly stupid order (and was quite pleased with myself for that!), the old, grizzled lawyer with forty years experience, appearing for the applicant, rose, bowed deeply, and gravely deferred to the decision with the words that have over time upheld the spirit of the rule of law: ‘May it please your Honour!’ For an instant I thought he was being sarcastic, but one glance at him made it clear that it was a statement made in abject discipline. It was with such a respectful acceptance of the legal process by all affected parties, that the governance remained of reasonable quality, even when some individual

decisions were appalling.

Many of today's new entrants are trained professionals (management graduates, engineers, doctors, university teachers, etc) with a wide range of skills which, either directly or indirectly, enhance their capacity in public administration. I have observed many of them closely when they worked with me in the civil service. Their intelligence is sparkling, and their capacity to use their professional tools, excellent. However, what I did sense was that they were much more comfortable tackling a well-defined problem, preferably one in which the parameters are accurately quantified. But, most issues confronting the civil servants (particularly those in the Indian Administrative Service and Indian Police Service) are set in complex social situations which are not delineated in black and white, and where the dominant shade is grey. Standard models are not applicable, and attempts to quantify the situation would only confuse them even more. Graduates from the professional courses, because of the nature of their training, are not particularly comfortable on issues in societal settings. It is my perception (but I must admit, that my view may be coloured on account of my service background), that the entrants from the old school of civil servants were better equipped to craft multi-component packages that harmonized the various elements and needs of society. However, the comparison in strengths and weaknesses is ultimately a hypothetical one. No matter what the background of an entrant, his basic uptake is always of a high order, and it is always possible for any of them to acquire skills that may not have directly come from their early professional training.

PIMPUTKAR AS ROLE MODEL

M.G. Pimputkar was the Director of the Academy at Mussoorie where we were trained. In a short period of one year, to an unbelievable extent, it was he who inculcated in us the hallmarks of our value system. For Pimputkar, integrity, to the last letter of the word, was everything. In fact, in pursuit of that absolute integrity, the substance of the issue was often lost sight of. He was never known to be a particularly effective civil servant, but was revered and held in awe. For all his angularities, while we could joke about him, deep down in our hearts we had a solid kernel of respect for his principles. We may have found some of his principles odd, but we were sure that his belief in them was unwavering. His principles were first applicable to him, before they were mandatory for others. He had no contingent values, only unchanging values. Even now, well into retirement, on issues relating to professional propriety, one would reflexively turn to his example as a touchstone, to judge the correctness of one's own conduct.

Stories about him were legion. In one posting he was the Director of Rationing in the undivided Bombay state during a period of acute shortages. Rationing rules were very strictly enforced. In those days there were no income restrictions for eligibility to claim rations. Pimputkar's family, like all others, had a ration card. Once, Mrs Pimputkar had gone to her parents' place. Unthinkingly, the *patawala*, who fetched Pimputkar his periodic ration, went to the shop and purchased all the units on the ration card, including that of Mrs Pimputkar. Somehow it came to Pimputkar's notice and hell broke loose. The poor *patawala* did not know what had hit him. Pimputkar was beside himself with rage. Rations had been falsely drawn on his card. The food inspector was summoned and the misconduct was reported. The inspector did not know what was expected of him. Pimputkar berated

him—the card had been misused; it had to be suspended. An ashen-faced food inspector stood still, frozen. Pimputkar would not let up. The food inspector then said obediently: ‘As is your order, sir.’ Pimputkar’s family ration card was suspended for misuse. This story had floated around our training academy, but I had always considered it apocryphal—something that could have happened to a Pimputkar. Much later, through a strange turn of events, I got to confirm that this incident was, at least in broad outline, true.

I was travelling to Delhi and boarded the train at Baroda. I was in a coupé in a lower berth and there was another passenger, a lady, in the compartment. Shortly after boarding the train it was time to settle down to sleep; I realized that the lady would have difficulty in climbing to the upper berth and so offered to change berths with her. I quickly got onto the upper berth, unrolled my bedroll and went to sleep. It was only next morning that I took some interest in the other passenger in the coupé. Over breakfast we started talking, and in a short while I began to suspect that I had made a terrible bloomer. As the conversation progressed, I began to suspect that I had failed to recognize Mrs Pimputkar, so I steered it in a direction whereby I could confirm that she actually was Mrs Pimputkar. A reference to Mussoorie and she immediately mentioned her association with that town, and also the circumstances. I introduced myself and offered my abject apology—I had come into the coupé late and was sleepy, and hence the fiasco. She was very pleased to run into one of her husband’s old probationers. She recalled at length her memories of those days. After some time, I brought up the old story about her ration card and asked her whether it had really occurred. Mrs Pimputkar laughed but did not deny the incident. She said that Mr Pimputkar lived by his own standards, making it clear that the story was true.

I have earlier mentioned in passing that, despite my enormous respect for him, at the end of the day, Pimputkar was not a very effective civil servant. He saw matters only through the prism of inflexible administrative practices. His application of these practices to the real-life situation was never very imaginative. One incident would be worth recalling. A very simplistic methodology for measuring staff requirements is that of a ‘time-and-motion’ study. This requires actual measurement of the time taken for various items of work using the most-likely procedure. It is a very primitive tool. It would be of some use in types of activity that are of a mechanical and repetitive nature, where there is little scope of having a range of quality. Yet, it is a useful tool for a trainee in a training academy to know how he should attempt quantification of relevant parameters.

But for Pimputkar these training tools were applicable to any situation. One winter day we had just returned from our early morning physical training (PT). It was our practice to sit and warm ourselves for a while in the morning sun in the patch of ground outside our hostel and our bunch of probationers in the typical boisterous manner burst upon the sunlit patch. But before we could go any further, we were stopped dead in our tracks. For, standing at one end of the patch was Pimputkar, ramrod straight, dressed in an impeccable blue double-breasted suit, staring into the distance. And, some twenty yards away a *safai kamdar* was sweeping dry leaves off the gravel. It took me some time to understand why Pimputkar was standing there observing a safai kamdar. It was after a few seconds that I noticed that he was looking at his unstrapped watch which he was holding in his hand. And then the penny dropped—he was timing the work of the safai kamdar. It was his little ‘time-and-motion’

study, perhaps, to determine the number of such employees required for this type of work. We scrambled from the scene, barely able to suppress our laughter. Much later, with the advantage of experience, it was clear to me that this was an example of a bizarre application of an otherwise useful methodology; it was a case of management excess.

MY ADOPTED FAMILY

Probationers, who arrived on their first charge, possessed only a couple of suitcases of their clothes and other personal effects. Normally, they come to be co-opted as additional members of the Collector's family. My Collector, N.V. Vannikar, was a Baroda state civil service officer promoted to the IAS; as would be expected, he was of an advanced age. He himself lived out of a suitcase; his family stayed in Baroda for the convenience of his children's education. He was an extremely open and generous person. Whenever I was with him at mealtimes, another thali was laid out for me in the most matter-of-fact manner. However, the age difference could not be ignored. I certainly could not think of unwinding in his presence. The news that would amuse him was not the gossip that I yearned for.

The family who adopted me was the Sundar-Pushpa couple. They were both IAS officers, two batches senior to me. They then had one infant daughter, Aparna, and I became the additional member to that family, inducted laterally. Regardless of where I was supposed to be on training, it was somehow arranged that I moved around and lived with them. In fact, even before I met Sundar and Pushpa for the first time, I encountered Aparna. I still recall the moment. I was going up to the Collector's quarters to meet him on my first day after arrival. The Collector's residence from the British days. It had a huge hall on the ground floor, which perhaps had been a ballroom in British days. By the mid-sixties, no Collector had the wherewithal to fill up large rooms with furniture. The ballroom remained vacant and the Collector's residential quarters were confined to the first floor. A beautiful, sweeping wooden staircase curved upwards from the hall. And as I made my way up the staircase, a tiny girl was crawling down the stairs. I looked inquiringly at her, and the patawala tending her told me she was Aparna, Sundar and Pushpa's daughter.

In the early period of my career, I spent an enormous amount of my time with the Sundars. I tagged along with them almost everywhere they went. I remember how on one Diwali they went to visit their uncle in Indore and I became their uncle's guest too! I recall those days in a mood of self-indulgence. Nothing earth-shaking happened, but the ordinary was so memorable. There was a magical bonding in the community atmosphere, with perhaps a whiff of service tradition too, that I, a total stranger, could be adopted by a family as though it was the normal course of nature.

I will make one last observation of this period, before I reluctantly part with these happy memories. Pushpa, a strikingly self-possessed and confident lady, quit service within a couple of years in order to better look after her family. By doing so, as I assess, she gave up the possibility of a remarkable career. Times have changed. Today women constitute a good fifth of the appointees. They are in the civil service for their careers and there is not the slightest hint of selfishness in that approach. They create a life-module wherein their husband, the children and her career, all have space, with some adjustment at the interfaces. The sort of hard decision Pushpa had to take is no

longer required because the family module to be adopted is decided even before women appear for the civil services exam. Sundar and Pushpa's two lovely daughters—Aparna and Nandini—have never faced such a dilemma in creating their independent professional space. Both are social activists of the contrarian grain.

EARLY BLOODING

Young civil servants were exposed to challenging responsibilities very early in their careers and we quickly learnt to swim after being flung into the turbulent sea. Our preparation for the responsibilities of discharging public duties was one year of in-service training in the National Academy of Public Administration at Mussoorie, followed by another year's training through rotational attachment to various district-level functionaries or offices connected with field operations. All this did not really prepare us much, even for the limited responsibilities of the early years of service.

Responsibility came to the new entrant early because whenever the Collector's or the District Development Officer's post fell vacant for a short period, as a matter of course, the temporary charge was given to the young Assistant Collector in the district. I had barely been in my first charge as Assistant Collector for four months, when I was given additional charge of the post of Collector. The existing incumbent had been transferred and the successor could only join after two months. As the in-charge Collector, I was required to take time-bound decisions, under the watchful eye of the head clerk. Every Collectorate had a venerable head clerk who knew every guideline, rule, decision and precedent that may have arisen at any time, on any issue, in any part of the universe. Let alone a rookie Collector, even experienced appointees would not be indiscreet enough to take a decision without consulting the head clerk. While I held the Collector's charge, Atmarambhai, the head clerk, would hover around my chair like an anxious mother-hen, ever alert to ensure that I did not sign off a file in haste when he was not looking. In fact, in contemporary idiom, the head clerk was the 'working' Collector, while I was the 'non-working' Collector.

As a rookie Collector I could only do as much as I was permitted by the head clerk. I had to be constantly looking over my shoulder, and I recall an incident from that period that seriously bruised my ego, but ultimately ended quite satisfactorily. One afternoon, when I was sitting in the Collector's chamber, the old patawala came and gave me a visitor's slip. Sister Veronica of a local orphanage wanted to meet me. I asked the patawala to send her in. I was on a settee, working on my files; I cleared space for the visitor. A middle-aged lady, in a severe grey habit, walked in, saw me and then hesitated. I asked her to sit down. She diffidently took a seat. She then gently said that she wanted to meet the Collector. I said: 'I am the Collector. Please tell me how I can help you.' Looking utterly confused, she exclaimed: 'Son, you must be joking!'

In that one moment my self-assurance splintered. The nun had so obviously taken me to be a junior officer because of my somewhat boyish appearance. I assumed my most grave official persona and listened to her problem. Some government land, it seems, had been granted to their church for the orphanage, but due to a technical hitch, the requisite entry had not been made in the land records in spite of repeated requests. I said I would look into it—the standard, painless reply—and the meeting ended.

I was not at all amused by this incident and was now all the more determined to show my effectiveness. I summoned the head clerk, my '*har marz kee dawa*' (cure-for-all-ills). I could not reveal my pique to him so I merely expressed great displeasure at the long delay in processing the matter. As any head clerk would, my head clerk also, at least vaguely, knew what the problem was—the matter was pending in the subdivisional office; the *shirestedar* at the sub-divisional office had taken ill and was away for several months. But I made it clear I would have none of this—the matter was pending for over a year, the shirestedar was ill only for a month or two—how could this be tolerated? The head clerk looked contrite but remained silent. I told him very firmly: 'This must be settled in two weeks. If necessary, call the shirestedar here.' The head clerk noted the Collector's deadline in a grave manner. He had seen many young pups occupying the Collector's chair—in the early days small issues got them worked up; in the course of time there would be so many pressing issues to deal with that they would have no time for such tantrums.

I am happy to report that in this particular case the Collector's dignity was saved. I thought it prudent not to ask the head clerk too many questions as to how it was done. He issued the requisite order to the orphanage within the stipulated two weeks and proudly showed me a copy. I suspect he called the shirestedar, and let him know in no uncertain terms that the Collector was very annoyed with him and the matter had to be clinched in ten days. With such incisive decision-making, I am certain Sister Veronica, when she received the order, must have realized that the Collector was no kid!

By working in tandem with the 'working' Collector I managed to ensure that the Collectorate escaped any grave disaster in my two months of officiating charge. While there may be some ostensible risk in handing over a substantive senior charge to a callow officer, for the young officer himself it is an invaluable learning experience. It boosted my morale and 'can-do' spirit enormously.

KUMBH MELA: THE GENERAL ELECTIONS

In the course of my probationary training I had my first opportunity to observe, during the 1967 Lok Sabha elections, the working of the gargantuan election machinery that constitutes the heart of the Indian polity. It was like a huge machine of the early industrial era—many cogs, many wheels, many tracks, many channels and many hoists. When it was operated, it made a lot of noise, with much gnashing of teeth and clashing of cogs, noisily and jerkily moving from one spot to another. It clearly needed to be designed better; but no one had the patience and stamina to do that. And in the period it existed, it did manage to deliver the results expected of it. Thousands of government functionaries were involved in the process of holding the elections. The election machinery provided as vital a service to democracy, as the Kumbh Mela to the spiritual well-being of the citizenry, where humanity cleanses its soul through the ritual dip in the Ganga. Every five years, a democracy reinvigorates its vitals by undertaking the ritual of elections.

The election was held in the backdrop of prevailing social and political ferment in different parts of the country. This election was the one when the Congress party in Gujarat, for the first time, faced a determined challenge. The rival party was the right-wing Swatantra Party. Several important personalities from the political arena had joined this new national party; the doyen of the group was

C. Rajagopalachari. The Congress did win, but only after some anxious days; it was clear that in future elections the Congress would be strongly challenged by sections of the polity that had their own ideological world view. For the Congress, the post-Independence honeymoon had been short.

The incident that I recall about that election was during the day of scrutiny of the nomination papers. A crowd of nominees along with their supporters were crowding the hall outside the Collector's office. Most wore stiffly starched, spotless, khadi dhoti-kurtas; a few were in spotless white shirt-trousers. The atmosphere was one of suppressed excitement. People held each other in *jhappis* and patted each other on the back; jokes were exchanged in whispers. A few smoked bidis and crushed them underfoot on the floor. There was excitement, but no bedlam. Between all the excited hopefuls sat an aged man, in an impeccable white bush shirt-trouser, impassively reading an English novel. He was in his own cocoon, insulated from the excitement suffusing the room. I was informed that he was H.M. Patel, a Swatantra party candidate. The impact on me was electric—this was the legendary civil servant whose cerebral capacity was the stuff of service folklore but who had suffered a mishap at the tail-end of his career. For an alleged impropriety as Union Finance Secretary in the purchase and sale of shares by the state-owned LIC, he had to retire prematurely. Despite that, his reputation was unstained and he continued to be an icon of the civil services. Now he was turning to a new vocation, that of a politician.

Despite his ability and professional reputation, H.M. Patel lost the elections from Anand constituency. He was entirely unknown as an individual to the electorate, though a legendary icon for the *patidar* community. Community leaders sent out the word that the most distinguished patidar in public life must win. It was the same admiring community that had spotted the talent of this youngster with limited financial means, and had funded his studies abroad, to place him on the road to the ICS. But the community leaders' *fatwa* was not enough. Quite clearly, HM was not cut out for the political arena. It could not be said that he made a very caring representative for his constituents. Most constituents found him inaccessible for their day-to-day consultations. This provided ammunition to his political rivals. HM was loathe to meet his constituents, and listen to their problems and unending tales of woe. As if this was not enough, from time to time he would spot some villager resting his muddy feet on his super-fine settee! Almost always, the meeting ended with strained vibes—the applicants could not connect with him and HM would be left choking with suppressed rage. However, such was his intellectual brilliance and administrative acumen that, whenever his political alliance was in power, he was given a major responsibility in the government (Home Minister, Finance Minister). The awkwardness faced by H.M. Patel typified the inherent conflict that exists in a nascent democracy—those who had the capacity to strike a rapport with their constituents were generally incompetent to govern; and conversely, those who had the capacity to govern, had no skill in establishing a rapport with the constituents.

The Terrain of Field Administration

RURAL HUB—THE DISTRICT

In the field of public administration, when considering conceptual organizational structures, there are certain levels that for intrinsic reasons are recognized as key operational levels. For example, in a central secretariat setting, the Joint Secretary level, covering a division, is commonly considered a key level. The Joint Secretary is an officer with not less than seventeen years' service. He is, thus, experienced both in field administration and in secretariat working. He oversees the work of three or four Deputy Secretaries, and the associated descending administrative structure. The functional span covers a substantive area with relevant inter-linkages. For example, in the Ministry of Mines and Metals, one Joint Secretary would have jurisdiction over the non-ferrous metal sector—the production and distribution of copper, lead, zinc and aluminum. This would constitute a compatible package of subjects.

Similarly, in the area of field administration, it is the revenue district that is considered the key administrative unit. In the traditional set-up, the district was led by the Collector, who also functioned as the District Magistrate (DM). In states where panchayati raj has been substantively introduced, the rural development function is entrusted to another official of the same stature, the District Development Officer. In such a divided jurisdiction, the Collector/District Magistrate looks after: the maintenance and adjudication issues related to the land revenue records, implementation of land reform legislation, civil supplies and all matters requiring coordination between different district-level offices. The District Development Officer, on the other hand, serves as the secretary of the elected District Panchayat and is the chief executive officer of the various field-level programmes—agriculture extension, animal husbandry services, functioning of cooperatives, social welfare schemes for the socio-economically underprivileged, school education, healthcare services, etc. What is significant is that, whether in the panchayati raj model, or in the earlier unified model, the key administrative unit remains the revenue district.

The geographical expanse in a district includes eight to ten talukas, with about 100 villages per taluka. In most districts in Gujarat state, the longest straight drive by road would not be more than five hours. These features gave the district a reasonable size for it to be conveniently administered by one senior field functionary—the Collector or the District Development Officer. Experience of over a century has shown that the district is an optimal size for field administration. The Collector or District Development Officer is normally a youngster with six to twelve years' service. At that age, he can meet the physical demands of administering the expanse covered in a district. His immediate supervisory officer would, at the closest, be the Divisional Commissioner, who may have a charge of six to eight districts. This administrative arrangement provided the district-level functionary adequate space to work independently. District-level administration does not require excessive guidance or

oversight because the largely independent position of the district enables the district functionary to take the necessary informed and timely decisions.

In the context of the rural scene in the country, experience has established the administrative-level of the district as a key functional one. In the ultimate assessment, whatever good or bad happens in rural India is the result of the governance at that level. It would be no hyperbole to assert that the district is the rural hub of public administration in the country.

The members of the different civil services in the country gain their experience in the respective areas of administration mandated to them. For the members of the Indian Administrative Service, the really unique experience is the time spent in the districts. This is where they learn to feel the pulse of rural India, an area which is so distant from their urban upbringing. This experience is one that no curriculum in business administration can ever impart. Most of such experience would not feature in any formally studied subject. Public initiatives in the rural areas would require a harmonization of a host of aspects, many of which would be non-quantifiable. For example, the decision on the location of a primary school may attract several of the following aspects: proximity to the different hamlets where various castes reside in order to ensure access; willingness of the residents to send their children to study in a mixed social group; willingness of the villagers to offer accommodation to teachers from different social sections who may be posted in the school; willingness to allow their children to participate in the community midday meal scheme; nature of the village leadership; ego quirks of the leadership; etc. These are not issues that require explicit articulation, yet they require to be internally negotiated. The experience gained in negotiating such situations is similar to the experience of living in a joint family and remains as a permanent reserve in the psyche of the official, available to be drawn upon at a later date, even when grappling with an entirely disparate issue.

MY SALVATION ARMY!

In the early years after Independence, the administration of the rural areas was the key responsibility of national governance. The revenue hand of the seventies and eighties, who discharged functions in the rural administration, was a multi-dexterous worker. His area of responsibility related to the wide-ranging issues and problems connected with the rural socio-economy. In those early years after Independence, for a largely rural society, the performance of the revenue staff significantly determined the state of well-being of the rural population. The revenue hand was not particularly well-regarded for his principal functions—dilatory, fixated on the letter of the law, nominally corrupt, he laboured under a poor image. The average rural citizen treated him as a viral infection, strictly to be avoided. The rural power elite, however, had to keep the revenue staff in good humour to facilitate the several discretionary decisions they could take involving their interests.

The revenue administration in normal times had the reputation of being unimaginative and soulless. However, there was one situation in which it changed character unrecognizably. In times of a natural disaster, the staff brought into the frontline operations, were the revenue hands. In those days, the relief operations were carried out almost entirely by the revenue administration and calling in army/air force assistance was an extremely rare occurrence. In fact, it would be a matter of professional pride for the revenue administration to carry out the relief operations independently and

competently. For civil servants of the old school, it seems astonishing how casually the DM and the state government are likely to ask for army assistance nowadays. To some extent, this is not because of lack of capacity in their outfits, but merely to play safe and deflect the responsibility to another agency. In fact, nowadays army assistance is resorted to, not only for tackling natural disasters, but for all variety of sectarian conflicts—caste, communal or linguistic. This excessive exposure of the army to societal tension does not bode well for the country; the army authorities themselves have often complained about such overuse. In the case of natural disasters, the relief and rehabilitation operation is a long-drawn-out programme, best executed by the revenue administration, which remains in touch with the villagers even in normal times. The army formations that are deployed, no doubt, do an efficient job of rescuing people, and providing the first line of treatment to those injured and ill. But the principal responsibilities of relief and rehabilitation go well beyond that—providing rations and monetary compensation in the aftermath of the disaster; assessing the financial loss; shifting people to new village-sites where necessary; and creating community assets (drinking water source, *panchayat ghar*, repairs to schools, etc.). The revenue administration is accustomed to interacting with the village people and is better equipped to complete the tasks in a participatory manner, to the satisfaction of the villagers.

In my years in the district I experienced two major natural disasters. The first was the cyclone in Porbandar taluka of Junagadh district in 1975, and the other was another cyclone in 1977 in Dhandhuka taluka of Ahmedabad district. Both these talukas are located on the coast. The cyclones were of an unprecedented magnitude and flattened out practically everything in their path. Winds of a velocity over 150 km per hour were recorded, and no structure in the coastal area could hold out for more than a few minutes. Mud houses in the villages just collapsed in a heap. Even pucca houses in those areas have clay-tiled roofs; and almost no roof survived the blast.

In such a scene of devastation, the dilemma is where to begin the relief operations. A base was set up in one of the less damaged government buildings in Dhandhuka town. The members of the revenue administration got together to strategize for the morrow. Groups of villages were listed, pairs of revenue functionaries were attached to each group; jeep routes were drawn up for dropping the staff at the nearest take-off point for reaching the besieged villages; particularly dangerous areas were identified and allotted to the young and strong. Each group was given a first-aid kit along with basic drugs for malaria, water-borne infections, fever, etc. Each group took as much cooked food with it as it could carry.

The teams set off early next morning. After that there was a long lull because the earliest group would not return before twelve hours. In the meantime, we faced a communication black-out. But, the Revenue Secretary was on the long-distance line every few hours; thankfully, this was not the age of the mobile. With each call he expected detailed information, and his patience seemed to be wearing thin. We gave him some anecdotal accounts related to us by villagers who had abandoned their villages. The Revenue Secretary would not be fobbed off, he wanted hard numbers. ‘Sir, the first numbers will be available tomorrow; the relief parties are out in the field and will return only by midnight.’ The Revenue Secretary had his own compulsions: ‘But, I must tell the CM something; what is the magnitude of damage, loss of life.’ There were no accurate answers—it could only be said that

the damage was heavy. The Revenue Secretary must have known that too.

A couple of hours after sundown, the first few relief parties staggered in. Pot-bellied revenue hands—caked with moist mud, looking dazed with fatigue—stumbled back. After they had cleaned themselves and had some refreshments, the debriefing began: how many dead; how many injured; number of collapsed houses (have any survived?); loss of cattle; food situation; drinking water situation; fuel situation; is the flood likely to recede rapidly; any other more accessible approach to the marooned villages, even though longer in distance; immediate requirements of provisions and medicines etc. As the relief parties came back and gave their accounts, the grim picture of the disaster emerged—providing relief was a gigantic challenge for the relief machinery that depended mostly on human effort.

The last team staggered in at only about two o'clock in the morning. We had begun to worry. It was the longest route to villages located in the estuary of some shallow coastal streams. The effect of the cyclone—with the high tide coinciding with the flooding of the coastal streams—was known to render villages inaccessible for weeks on end. The pair in this last team was middle-aged and quite visibly, physically unfit. One of them, we realized later, did not even know how to swim. After an hour's rest, when they had regained a modicum of composure, they gave their account: '*Bhare pani che, saheb. Khetar na taliyun maltu nathee*' (Heavy flooding, Sir. We could not touch the ground in the fields.) Gradually, the details emerged. In some parts, the water was over fifteen feet deep. Water was gushing over the village site. All houses had collapsed; some villagers had erected lean-tos with parts of their old houses and plastic sheets. Flood waters were flowing over the open well, and there was no drinking water. There was no dry place or fuel to cook anything. People were huddled together in shivering groups; disease was bound to break out. Some of the cooked provisions had been distributed, and some had been left with the sarpanch for use the next day.

With this description of the situation, the question that arose in my mind, perhaps incongruously for its timing, was: How did this pair of revenue hands reach the target village? They narrated how they had done it: they got eight earthen *gharas* from a village and each tied a set of four to his waist and floated out into the waters, steering his way with makeshift poles. (And, mind you, one of the two did not even know how to swim!) At moments like this my admiration brimmed over for this ragged Salvation Army of mine. The revenue administration had a well-deserved reputation for meeting emergency situations; each member was proud of that reputation. In normal times, when sloth was the identifying characteristic of the revenue staff, they would sit and boast of their exploits in an emergency. In times of crisis they were transformed human beings. Given their performance in Dhandhuka, they had every right to be proud of their record.

Any account of disaster relief would remain incomplete if the role of the VVIPs is not narrated. In those days, as indeed even today, the VVIPs have an immense nuisance value at such times. Modern technology has only made it worse. About two days after the natural disaster, when a modicum of administrative order had been brought about, the VVIPs would announce their arrival by plane or helicopter. With their impending arrival, some basic arrangements had to be made: a small cloth shamiana had to be erected, even if it meant sending a hard-pressed staff member 100 kilometres to fetch it; the village leaders, already stressed-out, had to be cajoled to remain present; some statistical

statements had to be prepared to impress the VIP; and half a dozen khadi-yarn garlands had to be put together to welcome the dignitary. Under our thumb rule, six khadi garlands were quite enough for four times that number of village dignitaries—the garlands were skilfully retrieved and recycled, so that the garland for the first guest also served as the garland for the seventh guest! The more considerate VVIPs showed their face to the stricken villagers, expressed words of sympathy, promised that the District Development Officer would set things right and then quietly took their leave. However, there were others who were out to prove their authority, roundly criticized the relief efforts, issued threats to the officials to prove their authority, and often gave mindless directions. Their show of concern thoroughly disrupted the smooth flow of the relief operations; directions issued by them had to be given priority regardless of their uselessness. Any civil servant leading a relief and rehabilitation operation would only pray for one consideration from his masters: ‘Sir, please leave us alone for one week. We will report to you every day and the instructions you give we shall follow diligently. But, Sir, please do not descend on us as we are not in a position to take care of you, and are embarrassed by the situation.’

I have earlier mentioned our Revenue Secretary, who in his anxiety phoned me every six hours the day after the cyclone, pressing for statistical details of the damage. Actually, he was a very kindly and sweet person, but over-anxious. In the case of the Dhandhuka cyclone that I have been describing, we had an advance warning from the meteorological department. The department had fairly accurately predicted the time of the cyclone, even though their estimate of intensity was somewhat understated. This alert had gone to the government. Our Revenue Secretary had immediately gone into emergency mode. The District Development Officer had been informed of the alarming nature of the alert and, believe it or not, had been asked to ensure that all coastal villages in the Dhandhuka taluka were evacuated immediately. In the revenue administration the standing operating procedure for implementing such instructions is to immediately pass it on to the lower tier. Not to be faulted for lack of alertness, I immediately phoned the Taluka Development Officer and informed him of the cyclone alert, and directed him to immediately evacuate all the coastal villages, and report! No one in the revenue department ever crosses the word of his superior. After I had finished my instructions, there was an awkward silence from the other side. Had this Taluka Development Officer not understood—after all, it is not every day that the District Development Officer gives instructions to him personally. I repeated that the cyclone alert had been conveyed to me by the Revenue Secretary himself and that an immediate compliance report was, therefore, required. The Taluka Development Officer took the cue this time: ‘Yes, sir; yes, sir. *Badhuu thai jase, sahib, tatkalik keredeyisoon*’. (Everything will be done, sir; I will do it immediately). But, did I imagine it, or did this duffer of a Taluka Development Officer hesitate before speaking? I wondered how he would do it in time.

One afternoon, some days after the cyclone, when the worst was over, we were sitting together in a relatively relaxed mood. The question that arose in my mind was what this duffer of a Taluka Development Officer had done in response to the cyclone alert. I casually put the question to him. He was unfazed: ‘*Karee dedhun, sahib, kai chinta nahin; kare deedhun*’ (Not to worry, sir, I did it). I was not satisfied with this confident reply—the Revenue Secretary would ask many probing questions. ‘*Bhimjibhai, aitle tame soon karyun*’, I asked. (Bhimjibhai, so, what did you do?).

Thereupon, the Taluka Development Officer in an utterly transparent manner revealed exactly how he had implemented the Revenue Secretary's orders, as conveyed through me. He had immediately sent off express telegrams to the talati of each of the coastal villages, asking him to get the village evacuated within three hours of the issue of the telegram, and thereafter to report compliance. I could not but admire the resourcefulness of my Taluka Development Officer! The Taluka Development Officer had over 100 villages under his charge, all of which could be called coastal villages, and all of which were, in fact, devastated by the subsequent cyclone. Most of these villages were poorly connected, only through kuccha village roads. At the most, two state transport buses visited the villages each day. There were almost no private vehicles that could be requisitioned by the Taluka Development Officer for evacuation of the villagers. The Taluka Development Officer implemented the orders that he had received by using the services of the postal department, the only means he had at hand. Impossible instructions are often issued in the bureaucracy. The most diligent and effective compliance of such instructions is to pass it on to the next lower formation, without so much as the change of a comma! This little story about our Taluka Development Officer has the expected happy ending. The instructions to evacuate the cyclone-threatened villages had been passed from the Revenue Secretary to the Taluka Development Officer, and further on, to the talatis. In the numerous demands for reports in the post-cyclone period, no one had been indiscreet enough to ask how many of the residents of the cyclone-threatened villages had actually been evacuated. The officials in the secretariat well knew that they should not ask awkward questions. In some matters there can only be '*khanapuri*', but when it came to the crunch, the same revenue staff gave a stand-out performance by way of substantive relief operations.

When talking of emergency relief, it is interesting to compare the situation existing then with that existing now. Communications have improved unimaginably. In today's situation, if one villager has a functioning mobile, the village would not be alone in its misery. A communication link would exist till at least the battery ran out of charge. The network of pucca roads has also improved. With this, once the waters have receded, motorized transport can immediately move in, even if the surface of the road has been damaged. In earlier times, the first priority of a relief operation was to touch base with the affected villages. Given the logistics involved then, this was a Herculean task. As I look back on my long association with the revenue department, I cannot but help recall its embarrassing weaknesses and incompetency: mindless application of the letter of the law, dilatory processes and convoluted mystification of what should be a very down-to-earth and practical administration, and much else in the negative list. But, when my mind turns to their performance during emergencies, I see these pot-bellied, sluggish, demotivated specimens transformed into gutsy and tireless public servants.

SOCIAL DYNAMICS OF THE REVENUE STAFF

In the times I speak of, the revenue staff enjoyed an ambivalent status in society—they were envied, and even respected, for the power they exercised; but it was always considered prudent to stay on good terms at a safe distance from them. We learnt of the finely balanced relationship maintained between the talati and the landowner from one of our seniors, Rameshbhai Desai, the Development

Commissioner. Rameshbhai was from a gentleman-farmer's family in south Gujarat. He owned vast orchards of delectable *Afoos* mangoes in Navsari. He did not require paid employment, but had entered the civil service to add a plume to the existing array on his hat. He was generous with his personal hospitality and also quite liberal with the distribution of State patronage. Playing bridge was a passion with him, and received priority over a large number of other activities. A happy-go-lucky man, his professional duties occupied a very small part of his rich life.

He was never known to have used his official powers to serve his own interests in his home village but for all his surface affability, no revenue functionary would dare to take liberties with him. Once, when he was in an expansive mood, he described the nature of his relationship with the talati in his home village. Rameshbhai Desai made it a practice to spend his *Navratri* holidays in his native village. During that period the talati visited him and was treated in a manner befitting his position. The landlord chatted at length with him on equal terms. Sweets and savouries were brought out and pressed upon the talati sahib. The mango season was discussed, and Gautam seth's daughter's grand wedding was recalled. The Commissioner Sahib would express extreme regret for not being able to attend the wedding—responsibilities of State, you know? Other villagers came to greet the landlord. They squatted on the *shutrunjee* while the talati sat on the diwan next to the landlord. When the time came for the talati sahib to take leave, the landlord personally saw him off at the door. A frown crossed Commissioner Sahib's face at his own forgetfulness. He whispered something to a retainer standing by his side. The retainer dashed into the house and returned with a large basket loaded with dry fruit, covered with an embroidered napkin, and with a lily-white envelope placed on top. The lily-white envelope contained the *shagoon*, a thousand rupees with a one silver rupee coin. The talati sahib would accept the basket and the envelope, with much grace. Rameshbhai gravely ended with the moral of the story—the talati of his village, as the custodian of State authority in the village, deserved the respect due to him, just as much as he as the holder of a State office as the Development Commissioner, deserved the respect extended to him. It would be a very petty mind that would call the basket and the thousand and one rupees a consideration paid to the talati for favourable treatment—it was a graceful courtesy in an environment where social gradations were a part of the natural order.

The revenue department in the states has become outdated now. In many cases agricultural property rights are now established through registered sale deeds. The relevance of the revenue record is relatively less. But, for the first four decades after Independence, the well-being of the farmer depended critically on the performance of the revenue machinery. It was an heirloom handed over from the British Raj, and, to some extent, in the use of this system, we inherited the dominating and exploitive character of the colonial rulers. However, one thing that was unique was the loyalty and solidarity within the fraternity of the revenue staff. And in a district, the Collector, as the leader of the revenue administration, was the cynosure of their professional pride.

Flashback from the Field: 1974 to 1978

DISAFFECTION BOILING OVER

The democratic process in Gujarat in the seventies threw up Chimanbhai Patel, a leader in the authoritarian mould. Governance to him was entirely an exercise in ‘political management’. His ethical world was set in a vacuum and he floated weightlessly in it. Even the devil was a potential ally for him in this political universe. He was seen by the citizenry with a mixture of awe and contempt. I had returned to Gujarat from a central deputation when the Nav Nirman agitation broke out in the state in 1974. I was awaiting a posting in Ahmedabad, and, therefore, had all the time to watch the unfolding drama from a distance.

It started as a student agitation against the rise in hostel fees, but soon spread, fuelled by countless other deep-seated grievances nursed by the wider citizenry. The revulsion, at least in the cities for what was considered unprincipled political jockeying, was all-pervasive. The crowds were in overwhelming numbers. Many from conservative families, who would normally not dream of going on to the streets, joined the agitating crowds. However, as in everything else, for the agitating Gujarati, the practical aspect of his daily routine was never abandoned. The crowds agitating in public places and before government offices would swell at different times of the day, but would thin out at meal times. For all of us Gujaratis, *jamvanu* was always on time, after which the reinvigorated agitators again struck their targets. Contempt for public office was shown without any restraint. One day I saw a *banjaran* driving her pack of sand-laden mules through the main street of Ahmedabad. The sides of the mules had graffiti painted in black paint mocking Chimanbhai, and the banjaran moved her mules forward to the jaunty chant of ‘*Chiman Chor, Chiman Chor!*’ This phrase had become the battle cry against the establishment.

As I saw the scene in Ahmedabad city, the political executive stood completely discredited. However, at that point of time I sensed that the bureaucratic executive still commanded some residual trace of confidence. The Collector of Ahmedabad was my friend Prafullabhai Das. The agitating crowds had forced closure of all business and commercial establishments for long spells. Ordinary people were facing acute problems in obtaining their daily provisions. In the *jhughi-jhompris*, unemployed families were literally starving. From the safety of the secretariat, orders had been issued that provisions should be made available at all fair price shops. That was easier said than done—the agitating crowds would just not allow the wholesalers to open their godowns. It was Prafullabhai’s responsibility to ensure that provisions reached the fair price shops, so that during the curfew breaks, the citizens could get their rations. In this hostile atmosphere, the Collector had to rely on just his own guts, and a small posse of armed and unarmed constables. The *chaddi*-clad constables, most of them physically unfit and emaciated, provided no real security to the Collector. The lower-level police force was, in fact, a target of public derision. In their ballooning shorts—

resembling latter-day divided skirts worn by fashionable girls—they were a comic sight. Their arrival was greeted with shrieks of ‘*Mafatia aya, mafatia aya*’ (The free-loaders have come, the free-loaders have come). The District Collector, however, remained unharmed because his aura still commanded considerable respect amongst all.

Some years later I was appointed the Collector of Ahmedabad district and heard an account of the Nav Nirman agitation from Prajapatibhai, the never-changing PA to the Collector. Since the civil supplies staff had failed to get the wholesale shops opened, Prafullabhai decided to go to the spot himself. The shops were completely surrounded by the agitators. As soon as the Collector’s car was recognized, it was also surrounded and immobilized by the crowd. Prafullabhai stepped out of the car to talk to the students. He shouted over the noise of the crowd: ‘Ordinary people are starving; they have run out of rations. Whatever your other complaints may be, the students must cooperate in reaching food to the people.’ Some students climbed on to the bonnet and roof of the car —‘*Tanashahi nahi chalegi. Chiman Chor, Chiman Chor!*’ The noise of the crowd rose and drowned out Prafullabhai’s voice. For half an hour Prafullabhai kept entreating with them that whatever the complaints, the ordinary people must not suffer. The crowd became less noisy and some of the leaders started arguing with the Collector one-to-one. ‘Why should we cooperate when the government never listens to us? This is just an attempt to break our solidarity. Prafullabhai persisted —‘I ask for nothing more; only allow the rations to be taken out.’ A few of the leaders seemed to be relenting: ‘We have nothing against you, Sahib, but we will not cooperate with the government.’ Prafullabhai repeated: ‘I—Prafulla Das—am requesting you to allow food to be taken to the people. I don’t ask as the Collector.’ A murmur rose from the back: ‘*Sahebni vaat rakhvee joiyee* (We should honour Sahib’s request). Some voices rose in protest; some other voices gathered in support of Prafullabhai’s request. After another ten minutes of argument, some of the leaders started parting the crowd—‘*Theek che. Java do, java do.*’ With Prafullabhai walking in front, the Collector’s car inched forward, and the jeeps with the constables followed. A menacing crowd stood encircling the wholesale shops, but the labourers went in and started removing the stock. The operation took an hour-and-a-half, and by the end the crowd had thinned out. The remaining persons had calmed down and were even making helpful suggestions about how the trucks could be positioned and loaded efficiently.

If the role of the administration is to maintain law and order, to what extent was this achieved in the course of this incident? It was plain that the law did not exist—the Collector’s writ and the posse of chaddi-clad constables counted for nothing. But, as a result of Prafullabhai’s personal credibility, a semblance of order was maintained. Was this adequate? Certainly, the collapse of the law boded ill for the future, but the saving grace was that, in that age, the personal standing of an individual was still recognized. This was the early stage of a gradual decline in the rule of law—by the year 2002, the apparatus of the State had completely corroded, and then we saw absolute anarchy, with no law and no order.

Gandhi. We, the common Gujaratis, have comprehensively forsaken and forgotten all the values he lived by. Who would believe that in this state the communal conflagration of year 2002 could take place? Porbandar, the birthplace of Gandhiji, is now called the Chicago of India, and that is not always mentioned with embarrassment. Porbandar has become a centre of warring groups from the underworld. The Odedra community is famous as the dominant group of the underworld. Santokben Odedra, the female don, not only controlled the mafia with an iron fist, but had become a Bollywood icon as the ‘Godmother’. In my early years I had difficulty in understanding what I now consider a commonplace reality in the contemporary world—that a historical place, commanding inspiring memories and wide adulation—could in a matter of a few years degenerate into a squalid slum, sparking no sentiment in the minds of the citizenry. An incident early in my career made it plain to me that a historical association with a location has little connection with the attitude of the residents to that historical memory.

One Gandhi Jayanti day the Chief Minister, Babubhai Patel, was presiding over the function being held at Kirti Mandir, Gandhiji’s birthplace at Porbandar. I was the District Development Officer in Junagadh district and was required to attend. I had received and welcomed the Chief Minister and was now standing outside. The space inside the building was limited and packed with school children. Just then, the local MLA, Vasanjibhai Thakrar arrived and greeted me with good cheer interspersed with uncontrolled giggles. His face was flushed and he was perspiring heavily. The function was a sombre one being imposed on the hapless children, and it certainly was no occasion for merrymaking. I thought it odd that the MLA was so full of beans so early in the morning. I had noticed that he had tried to enter the venue of the function, but after a brief interaction at the entrance, the police inspector had turned him away. This was odd—one normally did not take liberties with an MLA. But the MLA had turned away without protest, and mumbling to himself, had shuffled away.

After a while, the Taluka Development Officer strolled up to me to keep me company. We spoke of this and that. Then, just to fill up the silence, I asked him why Vasanjibhai seemed so exuberant. The Taluka Development Officer smiled broadly: ‘*Vasanjibhai mast manas che*’ (Vasanjibhai is a spirited person). I knew that Vasanjibhai was a colourful character, but what did that have to do with my question? Why had he come and then leave from the door? That police inspector didn’t allow him in. ‘Why is he looking so hyper, why is his face flushed?’ The Taluka Development Officer said: ‘*Vasanjibhai Lohana che na; dungri wadhare khai che*’ (Vasanjibhai is of the Lohana community [trading community]; he eats a lot of onions). I was even more perplexed. Then the Taluka Development Officer winked at me and said: ‘*Vas taalva*’ (to mask the smell). Very slowly understanding dawned on me—Vasanjibhai was drunk and had chewed onions to mask the smell; that explained his strange appearance and distracted behaviour. It also explained how the police inspector had the audacity to turn an MLA away from the door of the meeting hall. Things had come to such a pass that, to commemorate the memory of the Father of the Nation, Vasanjibhai, our Gandhi *bhakt*, had come to the function fully lit-up. If the liquid refreshment had not acted swiftly so as to incapacitate him, and if the MLA had been allowed to attend the function, he would, no doubt, have addressed these small children on the eternal Gandhian values.

As an epilogue to this story, I may mention that within a few years of this incident, Vasanjibhai was

bumped off in a shoot-out by one of his Odedra rivals.

THE PERENNIAL TUSSLE: MINISTER VS. CIVIL SERVANT

The simmering friction between us—the civil servants and them—the political masters—often leads to an uneasy coexistence. But sometimes it could have its tragi-comic features too. I was the District Development Officer in Junagadh district, my first senior time-scale posting in the state. The Minister-in-charge of the district, a lady, was a highly committed and aggressive activist of the BJP. The period of the incident was in the mid-seventies with a Janata Party–BJP alliance ruling in both the Centre and Gujarat state.

The Chief Minister of Gujarat was Babubhai J. Patel, a sincere Gandhian, a civilized person and an able administrator. I had known Babubhai from my earlier posting as Assistant Collector, Nadiad Prant, which was head-quartered in Babubhai's hometown. Babubhai was then a Minister in the state government. Babubhai's unpretentious austerity and simplicity was rare even by the standards of those times. He often used to come to Nadiad from Ahmedabad to be with his family over the weekends. Protocol required that I receive him whenever he entered my administrative jurisdiction. This created some administrative and logistical problems. We had to keep a sharp eye on his movements and get information about his visits. The other problem was that he travelled by the local state transport bus and got down at a particular bus stand, some four hundred yards from his residence. From there, Babubhai, cloth *theli* in hand, walked down to his residence. The path to his house went right past the flat I had rented in the town. The question thus arose, as to where I should receive him and do him the honours. Not that I was stiff in my approach to duties, but it seemed a little out of the ordinary to stand by the roadside trussed up in a tight bandhgala awaiting the arrival of the honourable Minister. I, therefore, made bold to ask the honourable Minister where I should receive him—whether at the bus-stop or his residence. Babubhai was bemused: 'No need for you to come, I am only returning home,' he said with a smile. I was happy for that, as it relieved me of a pointless protocol duty. Occasionally, standing on my balcony in my kurta-pajama, I would watch him making his way to his residence. It was natural that I found this uncomplicated Minister endearing; on his part, he in his undemonstrative manner, showed a fondness for me.

Returning to the incident in Junagadh, my relationship with the Minister-in-charge of the district was somewhat strained. She considered it her duty to keep her finger on every micro-decision, while totally ignoring all larger programme or policy issues. An occasional *sifarish* could be entertained, but constant interference kept the entire work-team on tenterhooks. Also, if it came to be perceived that the Minister would intervene in everything, it became impossible for me to extract any work from the team. As the Minister's demands multiplied, I had to increasingly express my inability to carry out her wishes. Her reaction was a sulky silence, with pursed lips and a frown. I sensed that the tipping point was close.

Once, during the Navratri break, the Minister rang me and peremptorily demanded an instant intervention in a particular matter. The matter was a minor one, and in my reckoning could wait. In any event, there was no way that I could recall my staff from their holidays in the midst of the biggest festival of the year. After the office reopened, I checked out the issue and found that by then it had

resolved itself and that too, quite satisfactorily. But our Minister, with her hawk's eye had noticed that nothing had been done during the festive break; it was an issue involving her authority, and it was of little consequence to her that in the end no intervention was required.

I later learnt that she complained about my indifferent response to the Chief Minister, who was then Babubhai Patel; and, as the Minister-in-charge of the district, demanded my immediate transfer. I got a call from the CM's office that the CM wanted to meet me immediately. I guessed it was about the incident, but knew no other details. I travelled to Gandhinagar and requested for time with the Chief Minister.

Babubhai looked at me impassively and mentioned that the Minister-in-charge had complained about my lack of diligence. I explained the nature of the matter, and that it had resolved itself. Babubhai gave a hint of a smile and extended a telegram towards me. It was from the Minister-in-charge. It said that 'your' District Development Officer had disobeyed her instructions and should be transferred; otherwise she would have to resign from the council of Ministers. Though I was used to the Minister's tantrums, I was astounded that, through a telegram, she had counterposed her staying with my leaving. Babubhai looked at me, and again with the hint of a smile, asked: 'And what should I do?' I replied in my not-too-fluent Gujarati: 'If you have to choose between the honourable Minister and the DDO, obviously you will get rid of your DDO.' In the final reckoning, the political executive prevailed over the bureaucratic executive, no matter what the other merits of the matter were. I further mentioned to the Chief Minister that I had not gone home for quite some time and that I may be given leave, during which he may kindly give me an honourable alternative posting. Looking at the political risk of a strained coalition, the Chief Minister would have had to transfer me in any circumstances. But Babubhai was uncomfortable in leaving it at that. At some length, in guarded language, he explained that he had his independent reports on the incident and held nothing against me, but that he did not want to create a festering sore for the government. He expressed the hope that I understood his compulsions. Without speaking in so many words against his own Minister, he had conveyed to me what he wanted to.

I proceeded on leave immediately. My PA—Vyasbhai—and my patawala, resplendent in his red sash, bearing a large brass medallion, informing all of the position in government held by his master—came to see me off at the railway station. I travelled light those days—my worldly belongings consisted of one large steel trunk, two large suitcases, a bedding roll, a smaller briefcase and a large wooden box containing a few cooking utensils and plates. Vyasbhai looked at my moveable assets, smiled gently and observed that the Minister could not inflict much inconvenience in making me shift my baggage. Vyasbhai passed out of my life till, about three decades later, out of the blue, one day quite recently, I got a letter in Gujarati from him. He said he was retiring that day and had thought of re-establishing contact with me, recalling his remarks on my moveable assets on the day I left Junagadh! I was touched that Vyasbhai reached out to me on that significant day of his life across a span of over three decades.

I was posted as the District Development Officer of Ahmedabad district during the period of my earned leave, a posting which, in bureaucratic reckoning, was quite respectable for my level of seniority. In the course of time I was shifted to the post of Collector, Ahmedabad district, a posting

considered quite attractively challenging. The Chief Minister had treated me fairly. He had humoured his Minister, while at the same time sending her a discreet message, in an inoffensive manner; on the other hand, he had treated me in a dignified way, and made amends when it was within his capacity to do so.

Many of the old-time politicians like him, blooded in the freedom movement, and steeped in Gandhian values, had a natural grace in their interpersonal relations. Names of such refined personalities which immediately come to mind are: Jivraj Mehta, Balwantray Mehta, Hitendrabhai Desai, Babubhai Patel, Ratubhai Adani, Govardhanbhai S. Patel and Jinabhai Darji.

MY SECURITY DETAIL

In my time, the Collector survived largely on the credibility he enjoyed amongst the people. Inevitably, he had to face many contentious situations. Personal safety was an issue, though the degree of public violence in those days was much less. In an incident of breakdown of public order, the Collector would not think twice before entering the centre of a crowd to calm things down. In normal day-to-day functioning, the Collector had no police protection; in times of serious riots, he may be accompanied by a small posse of constables, some armed and the others unarmed. Yet, I do not recall any instance when I felt threatened.

In his normal work the Collector had to face any number of belligerent delegations. The complaint could be against any functionary or office; in one instance it was against the Passport Office in Delhi, but the delegation converged in the Collector's office. The drama on such occasions can be hugely entertaining. A crowd of some thirty persons trooped into the office room. Behind them my PA, Prajapatibhai and patawala, Shakraji, filed in and positioned themselves behind me, on either side, as though they were my bodyguards. Here it is necessary to describe my Prajapatibhai and my Shakraji—Prajapatibhai was a short man with an enormous pot belly, someone who would be left behind panting if you walked fast in his company; and my Shakraji was a venerable senior citizen, who should have retired several years earlier, had his parents not reduced his age by many years at the time they admitted him to school. The word around the office was that Shakraji's son, a functionary in another government office, was due to retire a couple of years after his father.

The delegation would then begin their plaint. Their college mates had been beaten up by local shopkeepers. Students were falsely being accused of eve-teasing. Four shopkeepers had caught hold of a student when he was alone and had thrashed him. The shops would not be allowed to open till the guilty shopkeepers were arrested. A few of the students would intersperse the story with slogans, '*nahi chalege dadagiri, nahi chalegi, nahi chalegi!*' On an extraordinary occasion a demonstrator may even thump the Collector's table to show his anger. But that was the limit of the protest; and all the time my security detail—my two major-domos—would be standing right behind me, just in case!

This drama always had a predetermined plot. No one strayed outside the plot. I would assure the demonstrators that I would look into the matter; I would speak to the Deputy Superintendent of Police. As the demonstrators shuffled out of the room, they would snigger and exchange jokes with Prajapatibhai. Later Prajapatibhai would tell me: '*Hamtu natak kare che badha. Dukandaaron chokraon ne maaryun, saaru karyun*' (Just like that, these students enact a drama; the shopkeepers

did well to beat up the students). Sometimes when he felt that I should ease up in some matter, he would pass me a subtle, well-disguised hint. This revenue team of three—the Collector flanked by his two major-domos—was enough to meet most situations.

HIS WORLDLY BELONGINGS

Being Collector of Ahmedabad district carried with it some tedious protocol duties. Every state Governor, and every central Minister (or his equivalent), had to be received at the airport by the Collector. A Collector's job is substantively a field job requiring extensive touring. Only by travelling around could he know the reality in the field, as distinct from the sanitized information the staff provided him. Still, the Collector of Ahmedabad had to be ever ready to receive a VIP. I always hung up my bandhgala (the compulsory attire for all protocol duties) in the jeep no matter where I was touring. Whenever a message about a visiting VIP was received, I drove straight to the airport.

I have described these duties as tedious, but sometimes even they provided a droll diversion. In the time of the Janata Party government of 1977, a number of old Gandhians of Gujarat returned to the limelight. Many, to their utter surprise, became Ministers; and some others, who could not be made Ministers, were made Governors.

Prabhudas Patwari, an old-time Gandhian of Ahmedabad was appointed Governor of Tamil Nadu. Left to him, Prabhudasbhai would not have liked to shift his residence from one *pol* of Ahmedabad to another. However, when the gubernatorial honour was conferred on him, there was no way of refusing it gracefully. Prabhudasbhai was a reluctant occupant of the Raj Bhawan at Madras. At least once a month, for one reason or another, he made it a point to visit Ahmedabad. There was no seminar on Gandhian thought held in Ahmedabad, no matter who organized it, that Prabhudasbhai would not agree to preside over. He was a gentle, simple, ever-smiling man. When I received him at the airport, he would say with his gentle smile, '*Kalektar saheb tamne takleef thai hashe?*' (Collector saheb, you must have been inconvenienced).

Once there was a bit of a flap over one such visit. Normally the Governor was received and escorted to his car. After he had left, his luggage was picked up by his staff and taken away. I would wait till the luggage was on its way. On that particular visit the luggage could not be located for a long time. On the single conveyor belt in the arrival lounge, turn by turn, the passengers' luggage was loaded, and piece by piece it got picked up. My assistant had the baggage ticket and checked each passing piece of luggage that he thought may be the Governor's. This went on for twenty minutes and still there was nothing in sight. Finally, all the pieces, but one tin trunk, had been picked up, and all the passengers had left. The tin trunk was squashed in parts and had a heavy lock on it—it bobbed up and down as it made its lonely way on the conveyor belt. This could not be it, but still my assistant checked and found that the luggage tag had been torn off. We were all getting a little anxious. If the Governor's luggage had missed the flight it would become an embarrassment. My assistant checked with the airlines officials—all the luggage in the plane's hold had been off-loaded. We thought that perhaps in some confusion the airlines may have failed to load it at Madras. We asked the airlines, and they asked for the description of the baggage to check at Madras. My assistant phoned the Governor's residence in Ahmedabad, where he was staying. He returned a few minutes later, a wide

grin on his face. He picked up the tin trunk and placed it before me: ‘*Aij che, Saheb. Aij aimnee petee che* (This is it, Sir. This is his trunk).’ I couldn’t believe my eyes. The trunk was dented at several places, the paint had rubbed off in parts and it had rusted there. It looked as though it would fall apart any moment: ‘*Na bane, aivun to hoe* (it can’t be, this can’t be it). With apparent delight my assistant informed me that he had checked with the Governor’s *chopdar* and this tin trunk was the Governor’s! For the life of me I could not comprehend how all the items of dress and personal effects that a Governor would require to discharge his many ceremonial functions, could fit into a trunk of this size, shape and condition! However, I knew for sure that each time Prabhudasbhai appeared at a public function, he was the epitome of simple grace and understated dignity

THE PEOPLE’S REPRESENTATIVES

The 1977 Lok Sabha election was a landmark in the history of the country. It followed the national emergency and no one was sure of the outcome. The government had launched a series of programmes and schemes ostensibly for the welfare of the poor; they expected to reap electoral returns from it, thereby neutralizing some of the odium of the emergency regime. After the authoritarian atmosphere of the emergency period, though restrictions on movement had been lifted, an all-pervasive fear of the government persisted. I was then District Development Officer of Ahmedabad district. In the states where panchayati raj had been introduced, this incumbent is in effect the Chief Executive Officer of the panchayat, who works under the direction of the elected district panchayat. My district’s elected body was from the Congress (O) party, the group that broke away from the undivided Congress party in 1969. Many of the Congress (O) leaders had been detained under Maintenance of Internal Security Act (MISA). My district panchayat pramukh, Dr Shantilal Patel, was one of them. The prevailing atmosphere was surcharged. The Congress (O) leaders of the district were all of the old school—spotless in their personal reputation and their sartorial deportment, but otherwise living in an age that was long over. Once in a way when the statutory panchayat meeting had to be held, Shanti Kaka was let out of prison. People like Shanti Kaka had been detained ostensibly to avert any threat to the security and integrity of the country. The idea of these people being a threat to anyone was a preposterous one—these were uncomplicated, rural folks, who had once got swept away by the high tide of the Independence movement. Most of them were simple people, who knew no intrigue, and also had very paltry talent. They were, however, charged with a passion for the simple values of public probity and national interest. It is a sad reflection on the judgment of the powers-that-be of that period that such harmless and simple people were put away under preventive detention. The rank injustice of this was apparent to all, and this considerably diminished the credibility of the ruling government.

When we compare those politicians to the ones today, we realize that we can now be said to be inhabiting a different planet. I have mentioned that my district panchayat pramukh had been put away under preventive detention. The day-to-day charge was then held by the up-pramukh, one Babubhai Shah. If one went by current norms of poverty, Babubhai’s family would have undoubtedly come in the below poverty line (BPL) category. He was always dressed in spotless khadi, but people who knew of his circumstances, said that he could only wear one of the three sets of dresses that he

possessed. Anyway, this old man was de facto my pramukh, as the legally elected one was under detention. In that period, Gujarat had been hit by a severe drought, and large-scale scarcity relief works had been undertaken. Babubhai Shah was from Dhandhuka taluka, always one of the worst-hit in times of scarcity. Relief operations were underway at a frenetic pace.

In the midst of all this, one day a panchayat member from the opposition political group came to me and whispered that there was a large scam in the scarcity works undertaken in Dhandhuka taluka. I naturally asked what it was. With a doleful look he said that the acting zilla panchayat pramukh was involved in a scam—he had appointed his own son as a muster clerk at the scarcity works in one village. The alleged enormity of this offence would require clarification for those unfamiliar with the working of government. Every major scarcity work had a muster clerk to mark the attendance of the labourers, to measure the quantum of work carried out and to calculate the scarcity wages due to each labourer. It is an absolutely temporary assignment for the duration of the scarcity work. The remuneration is the minimum statutory daily wage, and normally this responsibility is given to some literate member of the scarcity-hit community. The muster clerk sits out in the sun some ten hours in the day, and his position in the job market would be considered only one notch higher than the manual labourer. I was shocked to hear this story, but for reasons not intended by the complainant. What was shocking for me was that Babubhai Shah had to place his son as a muster clerk. No one would do that if the minimum daily wage earned by the muster clerk did not help, to some extent, to provide the evening meal. The pettiness of a political rival who made this complaint was one aspect; what was much more disconcerting for me was the realization that this political worker who had around fifty years standing in public life, had difficulty in arranging two basic meals a day for his family.

Babubhai Shah, it needs to be mentioned, was a very interesting personality. Apart from being of very modest financial means, he was also extremely accident-prone. Because of his ineptitude he constantly stumbled in and out of trouble. On Independence Day, while the main function is presided over by the Chief Minister, each office also observed a small function individually. In line with that practice, on Independence Day a function had been arranged on the terrace of the Ahmedabad district panchayat building. About fifty people had been invited, and since the pramukh was under detention, Babubhai Shah was to honour the flag. Those were days of all-pervasive suspicion, and the small function attracted the attention of a posse of policemen headed by an Inspector. The Inspector met me before the function, and as he put it, he had come to ensure law and order. We understood that, since this was an opposition-controlled panchayat, he had been deputed to keep an eye on the proceedings.

At the appointed time this gaggle of invitees gathered on the terrace, whereupon I requested Babubhai Shah to unfurl the national flag. I was not at all prepared for what followed. I had no idea that Babubhai Shah had a frozen right elbow and could not bend his right arm. Therefore, in order to honour the flag, Babubhai Shah stood stiffly at attention, Gandhi topi askew, and to my horror, raised his left hand awkwardly in salute to the flag. Everyone was aware of the sensitivity of the situation and was aghast to see this insult to the national flag. Anyway, we hummed the national anthem as quickly as we could and started shuffling out of the terrace. The police Inspector was livid: ‘What a mockery of the flag hoisting. This *dosua* saluted with his left hand.’ I took him aside and whispered that Babubhai had a defect in his right hand; he did not mean any disrespect. The Inspector was far

from convinced. He was smouldering with anger, and in the early post-emergency days, it did not take very much to turn embers into uncontrolled flames. Taking Babubhai Shah by the arm, I rushed him down to the ground floor, put him in the hands of a peon, and told the peon to run to the bus stop and put Babubhai Shah on the first express bus to Dhandhuka. There was less danger to all if Babubhai remained out of sight. Returning to my office, I found that the Inspector was still smouldering: 'This dosua does not know that you must not salute with your left hand.' I pacified the Inspector who seemed a trifle overzealous about his duties. And then, over cups of tea and small talk, the incident was forgotten.

Taking a telescopic view across nearly four decades of time, I see Babubhai Shah as a gem of a human being who had values and skill-sets that were out-of-date even for the mid-seventies.

WHO WON? THE CITIZEN WON!

In the early days of the run-up for the elections it seemed like a one-horse race. The opposition leaders had been released from detention, but they were a motley group. Most of them were not street-smart and had almost no resources. A poll alliance had been announced under the label of the Janata Party, but no one knew how this would shape out. The Congress, with its confident cadre, rolled over the constituency like a phalanx of armoured tanks.

I was appointed the Returning Officer for Dhandhuka constituency, consisting of the rural areas of Ahmedabad district, and also including some rural areas of the adjoining Bhavnagar district. This was a seat reserved for the scheduled caste candidates. The Congress fielded their sitting MP, one Balwantrai R. Rathod. The opposition Janata Party had fielded an unknown primary school teacher in an Ahmedabad corporation school, by the name of Natwarlal B. Parmar from the Cong (O) strand of the alliance. For want of an independent symbol, the Janata Party adopted the symbol of one of its constituents, the Bharatiya Lok Dal (BLD). On the face of it, it seemed a walkover for the Congress. Natwarbhai was totally unknown in political circles. He was a diffident personality with almost no talent to speak of. The Congress poll machinery was awesome; money was no consideration. Large public meetings were held, with substantial hidden support from the government agencies. The constituency was flooded with political stars. On the other hand, the campaign of the Janata Party was like that for a college election. Public functions were limited to small huddled groups. Arrangements were very rudimentary. The public address system was often of such poor quality that the speeches made by the venerable Gandhian speakers were drowned out by the screeching amplifiers. The only thing going in favour of the Janata Party was that each member of the small crowd was a self-motivated and committed believer. The venerable Gandhians were not skilled in demagoguery, but each one of them reiterated the same point in their feeble voices—they were committed to the rule of law; they revered parliamentary democracy; they urged the listeners in simple language to reject the fascist Congress.

A Returning Officer, even though he is insulated from the passion of the electoral contest, does have a privileged overview of the contest. After some time, I did begin to get signals that not all the razzle-dazzle of the Congress campaign would be converted into votes. Despite being comprehensively outclassed as far as material resources went, the Janata Party still seemed to be

hanging on there. I must admit that this change in assessment did not mean that I expected the Congress to lose in Dhandhuka constituency; only that the Janata Party had resolutely engaged in the contest.

The polls closed with everyone who mattered predicting a Congress sweep. This was before the age of exit polls. The polling had been reasonable for a scattered rural population—52 per cent. The counting centre was in a government college. This was a large constituency and the aggregate number of ballot papers to be counted was high. The counting then was entirely manual and elaborate arrangements had been made. A large number of counting tables had been arranged so that the counting time would be reduced. Each table had to have space for one counting agent representing each candidate. When counting began, there were naturally a large number of individuals milling around in the counting area—the counting staff and the election and counting agents of the candidates. The seals of the strongroom, where the ballot boxes had been stored after polling, were opened, and the sealed ballot boxes were ceremonially brought in a procession to each counting table. At each table the polling agents verified that the seals were intact. Then the ballot boxes were thrown open.

Since there were several hundred polling stations, the counting was long drawn out, and required several rounds at each counting table. The first round of ballot boxes always takes the longest, as the counting staff is still to get into the swing of the process. It took about three-and-a-half hours for the trend of the first round of counting to become available. Balwantraji R. Rathod was ahead, but only just. Our Natwarlal Parmar was trailing by less than 200 votes in the first round. I announced the vote count on the public address system. There was a faint buzz of murmurs, but soon everyone went back to the work on hand. The election agent and counting agents of Balwantraibhai put out an explanation—these were not their candidate's strong villages; those would follow. Everything was going as expected.

The counting continued. By the end of the fifth round, the trend was clear to all but those in a state of denial. On the aggregate, Natwarbhai was leading by over 18,000 votes. In each of the rounds, he had either won handsomely or stood second by a thin margin. With the commencement of the sixth round of counting, a distinct buzz was audible in the counting centre. The counting agents were discussing the trends animatedly. My counting officials came to me and whispered that a wave was building up in favour of the Janata Party, not just in this constituency, but all over the state. The Intelligence Bureau operative, who is always there on such occasions to relay the counting trend to Delhi, sidled up to me and whispered, 'Sir, Indira Gandhi is trailing by 40,000 votes in Rae Bareilly; Congress is trailing in most constituencies in the country.' With each passing minute, a picture was emerging—the electorate, not just in Dhandhuka constituency, but across the country, had brought off a coup.

As our counting continued, the gap grew larger and larger. Balwantraibhai, who had been strutting about quite confidently in the first six hours, quietly left the counting hall. The Congress counting agents, also, gradually melted away; only five or six of the agents remained. They drifted from table to table, with consternation writ on their faces, talking of the *aandhi* that had hit them. It was evident that Natwarbhai would walk away with the poll, something that left him as bewildered as us. With two rounds to go, the last of the Congress counting agents had left. I had personally pleaded with them to stay on so that someone from that party would be present to sign the result sheet; the Returning

Officer always felt more comfortable if representatives of the major competing parties signed the result sheet as a token of the lawful conclusion of the poll. My entreaties went in vain as the counting agents felt embarrassed by the increasing vote gap. All that remained, other than the counting staff, were some twenty-odd counting agents of the Janata Party, along with, of course, our Natwarbhai.

Even after the result was a foregone conclusion, there were a lot of process issues to sort out involving several hours of work—the remaining rounds of counting had to be gone through, the totals had to be tallied and cross-checked, and various statutory returns filled, before I could congratulate the winner and hand over his election certificate, a piece of parchment that would entitle him to sit in the Lok Sabha of the Republic of India. Natwarbhai expressed a wish to go home for a couple of hours to rest and freshen up. I could not permit that. What if he did not come back in time—who would sign the statement of election results? Who would I hand over the election certificate to? Since, after about fifteen hours of counting, he looked visibly tired, I had to find some way out. The counting centre being a college building had no bed or bedding to use. There were only these gigantic steel trunks lined up on one side of the hall, in which the counting material and the ballot papers would once again be packed and sealed, when the counting was concluded. I suggested that Natwarbhai put a couple of these together and go to sleep on them. And so our MP-to-be stretched himself out on the steel trunks with two volumes of the telephone directory as his pillow! The counting went on much as the counting officials found fit.

The arrangements for the counting had been made anticipating surging crowds at the time the result was declared. A vast college playing field had been cordoned off and barricaded to contain the expected crowd. Strong floodlights were placed all over, making the grounds look like a Diwali mela. A high-power public address system had been installed with speakers at scattered points of the ground. The vote count was finally over, the statutory proformae filled and the election certificate readied. I woke up Natwarbhai and told him to get ready to receive the election certificate. As I went up to the mike, buttoning up my bandhgala, I glanced over the ground. The scene was surreal. A huge, brightly lit expanse of ground broken into sectors with barricades, without a single human presence; only a few stray dogs ambled around nosing out the half-eaten dinner packets thrown away by the election staff. I formally read out the results and, finally, in the language of the law, declared Shri Natwarbhai Bhagwandas Parmar as a duly elected Member of the Lok Sabha from the Dhandhuka (SC) constituency. My amplified voice rolled over the vast empty expanse before me. Natwarbhai seemed to be in a trance as I shook his hand to congratulate him. I got the impression that he felt that, in some way, he owed his win to me. It was difficult for him to be convinced that the ordinary people, who probably had not heard of his name before the election, for reasons secreted away in the deep of their hearts, had voted for him. Today was an ordinary day for them; they had their early supper, as was their practice, and had gone to bed. They knew that their role in the democratic process need not extend to the counting day. None of those who had voted for him were at the counting centre in Natwarbhai's moment of victory.

Later, the Congress offered many excuses—they were mentioned in whispers; no one had the temerity to really assert them. The bureaucracy had turned against the Congress; the babus were angered by the strict discipline of the emergency period and had risen in protest and stuffed the ballot

boxes. No one believed this—no babu had ever believed that he could bring off such an electoral coup. In fact, speaking more generally, it is my perception that the macro-results of almost no general election has ever been decisively vitiated by rigging. Yes, there have been malpractices, and in some states, notably Bihar and UP, the backward communities have been frightened away from the polls. But, this applies only to a few areas, when the state and national outcome of the election was a foregone conclusion. In fact, my experience has been that the irregularities are most when the contest is clearly one-sided. The polling and election agents of the weaker parties lose heart and leave their stations. It is then that the stronger party rolls over and stuffs the ballot boxes. Many who have lost elections may contest this perception—they may feel that malpractices gave their rival an edge, who thereby sneaked past to win. This may have happened on some occasions. But, my assessment would be that such tainted results were generally not on a scale where the macro-result at the level of the state or the country stood vitiated.

The 1977 election was an eye-opener for the multitude of citizens of the country about the power of the democratic process. No individual voter had dreamt that he, even along with the other individuals, could create such a gigantic electoral tsunami. Almost everyone believed that, despite all the negatives, the Congress juggernaut would inevitably roll over the country in the election. Nothing indicated the purity of the election more than the genuine surprise experienced by many of the Returning Officers over the outcome of the election. No poll prediction took into account the inner mind of the ordinary voter. Many of these people deeply resented the arm-twisting they had witnessed in the country over the previous twenty-one months, and had silently decided to record their resentment through their vote. Many probably never suspected that others would be motivated to act in the same way. It was only when the votes were counted that it became clear that individual votes of protest, independently repeated hundreds of thousands of times, brought about a silent electoral revolution. No clichéd phrase like an ‘anti-incumbency’ wave could adequately account for the denouement.

CARELESS HOUSEKEEPING!

Once the elections were over and the Congress had been dislodged from power, it was time for the victims of the emergency to settle scores. While many arrests during the emergency were clearly a lawless exercise of power against harmless individuals, there were some cases in which one did not feel entirely sympathetic to the victims. Every town has a gang of lumpen elements who vitiate the atmosphere by casually indulging in petty criminal activities. The administration used the emergency powers to book some of these lumpen elements. There was no doubt that this was abuse of power, but one which the ordinary citizen was not unhappy about. With the lifting of the emergency there were a spate of applications from the victims complaining of abuse of their rights and unlawful detention and harassment. The District Magistrate was required to enquire into them. Quite frankly, as the District Magistrate, I was not particularly moved by many of the complaints from the lumpen elements. One such character who appeared before me provided a comic story. From the police record it appeared that he was a small-time bootlegger and generally a rowdy. The police had used their emergency powers to teach him a lesson. This person had sent a long handwritten complaint, with many points,

including the unsatisfactory living conditions in jail. One part of the complaint, recorded in his ill-formed hand, read: '*Jailne ander bahu traas hatun. Jail ma asankhya macchar mankad hata; ratre suwanu maltu na hatun*' (There was great harassment in jail; it was infested with mosquitoes and bed bugs; one was not able to sleep at night). But that was not the high point of his complaint, which went on to say: '*Ane jailor sahebne ame fariyad kareye to e kahe, jail ma macchar mankad na male to sun malse, hathi ghoda malse?*' (And if we complained to the jailor saheb, he would retort, if you don't find mosquitoes and bed bugs in jail, what do you expect to find—horses and elephants?). All other aspects apart, one had to commend the jailor's sense of humour! On such occasions, with a great deal of effort I would maintain a grave mien while recording an order that the complaint relating to careless housekeeping was unverifiable!

The Changing Face of Public Administration

India's public administration over the last six decades has evolved through distinct phases, marked by several milestones. I am summarizing them here to provide a flavour of the period covering this memoir.

Paternalistic Phase: In the early years after Independence, the model of governance was a benevolent, paternalistic one. The focus was on the enforcement of the limited number of extant laws and maintenance of public order. Penalties were exemplary and were expected to serve as a deterrent. Law was enforced through the credibility enjoyed by the civil services and the awe in which they were held by the ordinary citizenry. The actual numerical strength of the government machinery was minuscule, compared to the coverage of the population and the span of the geographical area that was administered. The responsibilities of the civil servants were best discharged if they, as a group, retained the confidence of the citizenry through fair and transparent actions. Such a model could be called the 'status quo' administration. A paternalistic role of the government was, perhaps, acceptable in the first one-and-a-half decades after Independence.

In the early years, possibly up to the end of the eighties, civil servants continued to have a considerable say in the drawing up of public policy and framing of public programmes. The political executive treated advice from the bureaucratic executive with respect. Much of what the civil servants thought on socioeconomic issues went into public policy. On its part, the political executive was happy to involve itself in the day-to-day administrative minutiae. The division of roles between the political and bureaucratic executive then was the reverse of what would be expected in a mature democracy. The inordinate interest shown by the political executive in the day-to-day administrative minutiae, led to constant friction between the two wings of the administration. The bureaucratic executive, weighed down with its norms of even-handed and rule-based administration, chafed at the subjective decision-making of their political masters.

Developmental Phase: The 'status quo' administration naturally could not continue indefinitely. Gradually, interventions in the developmental sector were required and came to be introduced. In a society that was socially and economically fragmented, such interventions, in one or the other way, disturbed the existing social power structure—all the initiatives, in one or the other way, went against the grain of the existing social order. For this modified role, civil servants needed new skills of pro-active intervention, particularly in the area of rural development. Most of the new programmes were targeted at rural development, and the civil servants had to acquire an understanding of the dynamics of the rural sector, something for which their urban middle-class background had not prepared them. In response to this requirement, the civil services did to an extent, acquire new skill-sets to tackle new challenges in the developmental sector. The decades from the sixties to the eighties saw the civil

servant as the originator of an array of development schemes introduced across the country. However, the mode of governance still remained paternalistic. The programmes were designed at the higher echelons of the bureaucratic hierarchy.

Globalization–Liberalization Phase: The development process distinctly shifted gear in the decade of the nineties. For one, by then India had achieved a higher trajectory of development. In the developed world, increasingly, national economies were being integrated into a global economy. The focus of the government was transferred more to supporting the areas of finance, banking, commerce and industry in the private sector. The new areas of focus required skill-sets connected more to the fields of economics, business administration, international trade, banking, international relations, and so on. These were not the traditional bastions of the civil servants. The younger entrants, with an educational background of commerce, business administration or economics, took to these new areas of public administration more comfortably. The economic tsars of the Indian government began to rely on civil servants with a background in these disciplines. These areas became the reserved enclaves for only a small set of civil servants. Such areas of administration were also associated with certain minor fringe benefits: occasional foreign tours that were a novelty in those days; the satisfaction of dealing with macro-economic issues that seemed much more tractable than the messy ones in the social and rural development sectors; and the ultimate dream of landing a foreign assignment in some international agency.

In the earlier years, the state and central governments enjoyed a reasonable reputation for thorough and objective analysis of issues to evaluate a proposal against the benchmark of public interest. Of course, bureaucracies are notorious for never-ending examination of issues. In fact, experience shows that the most extended examination of issues is in cases where some mindless, low-level functionary, at an intermediate stage, sends off the file on a totally misdirected spin. This would not absolve the higher-level functionary from the responsibility of bringing the issue back on track and setting right the trajectory of a misdirected file. But most harried officials would just choose to avoid that in the hope that in course of time the matter would drift back to the right track. Along with the absence of urgency in decision-making, which has brought disrepute to the bureaucracy, the need for a critical examination of issues also came to be treated as unnecessary and dilatory. As a result, analysis was abandoned and decisions were merely handed down. This is a textbook example of throwing the baby away with the bath water!

It is the perception of many of those associated with government functioning, that the key personalities constituting the council of economic tsars in the last three decades sourced their policy inspiration from across the seas. One can, of course, draw ideas from any corner of the universe and use it in any other corner; indeed, if we choose to keep our mental windows shut, our intellect would suffer serious deprivation. However, the strong impression I got during the nearly twenty years that I served the central government, was that certain key personalities unquestioningly adopted foreign dogma. While saying this, I am not alluding to political ideology but to economic ideology. Suggestions in the economic field may have come from any source, but the Indian policymakers needed to critically examine its applicability and suitability to our situation. This critical scrutiny in

the Indian policymaking apparatus was heavily compromised over the years. The economic tsars had set their minds and gave clear indications of the decisions they wanted. Processing of such decisions in the ministries was mechanical, without any critical analysis. The officers placed in the economic ministries were not encouraged to examine the pros and cons, and the predetermined approach travelled from bottom to top in an amazing display of convergence of views. By bypassing the procedure for examining critical policy issues, the standards of public policy formulation have suffered immensely.

POLICY ANALYSIS: WHAT USE IS IT?

With the progressive demise of any type of critical examination of policy issues, the policy void is all-pervasive now. Civil servants co-opted into the cabal within the economic ministries, knew what their role was. They knew the mindset of their minders and anticipated their requirements. There was no question of a critical appraisal of the issue before them. In fact, much of the role of conceptualization and policy formulation has today come to be comprehensively outsourced to extra-constitutional centres of power outside the formal structure of government. In a benign form these outside agencies may be NGOs, 'think tanks', foreign advocacy agencies, etc. And, in the more dangerous forms, they are domestic trade and business federations, professional councils and other such groupings. Another variant of this distortion is the extra-legal jurisdiction appropriated by certain ad hoc wings of government. For example, the Prime Minister's Economic Advisory Council has become the sole policymaking entity of the central government in financial policy—the Finance Ministry does not have to trouble itself overmuch over this. The decision-making for all major initiatives in any sector of the government is now concentrated in the Planning Commission. By a strange switch of roles, the Planning Commission, that was meant to be an advisory body, has become an omnipotent decision-making body. This arrangement serves another purpose also—only one committed representative of the council of economic tsars, placed as the Deputy Chairman, can now substantially control decision-making in all sectors of government. Needless to say, the different departments/ministries have become increasingly redundant and now largely occupy themselves in shuffling around papers on a closed circuit. While making these critical remarks, I would again reiterate that ideas and suggestions are welcome from any quarter, but before they become State decisions, they must be scrubbed through the policymaking process of the governmental system to ensure they are in public interest. It is only when the process of public policymaking is adhered to, that any form of public accountability is enforceable.

Instances of dereliction of the responsibility of policy analysis were apparent to those placed in the bureaucratic apparatus. One example comes to mind. During my tenure as Additional Secretary in the Ministry of Petroleum and Natural Gas, one day I was shocked to see a draft Cabinet Note on an important issue, matching word-for-word a note sent by the Confederation of Indian Industries on its own letterhead. The CII had thoughtfully sent their note in duplicate, the second copy being on plain paper. The Section Officer detached the second copy and put it up as his note for the approval of all. When I remonstrated with the Section Officer, he very respectfully explained that this was a common practice in many matters. CII, FICCI or Assocham sent their suggestions, which were adopted

automatically without being considered objectively and adopted only if found suitable. The basic examination of an issue, even if done speedily, is now considered unnecessary red tape. The general attitude is: What use is policy analysis? Policy decisions are now routinely taken in such an ad hoc manner that it has become virtually impossible to ascertain who the parents of some of the hare-brained ideas are. Nothing bears this out more vividly than the recent happenings in the telecom sector—in the chaos that prevails, it is impossible to make out what the policy is, who made the policy, and what, if anything, is the rationale for the policy.

One incident relating to the late Sahib Singh Verma will give the flavour of the bureaucratic process that had come to be adopted even some ten years ago. Sahib Singh Verma, as Cabinet Minister for Urban Affairs, felt that one proposal required immediate Cabinet approval. Unfortunately, the Cabinet Secretary was a spoilsport. He did not put up the item on the agenda for the next Cabinet Meeting. This was because the standard procedure of circulating the draft proposal to all the concerned ministries for their comments had not been complied with. The proceedings of the Cabinet Meeting were hurried that day as the Prime Minister had another engagement. As the Cabinet Meeting was ending, Sahib Singh rushed into the room waving a few sheets of paper. Sahib Singh Verma, as anyone who had seen him perform, knows, was a very strong personality, and when he threw his weight into a task, the bravest would flinch. He also possessed a rustic tongue and not everyone could understand his accented Hindi. Anyway, after some confusion it was understood that he had spoken to the Prime Minister explaining the urgency of the matter, and Prime Minister Vajpayee had agreed to take up his proposal in the Cabinet Meeting. He waved the papers towards the Cabinet Secretary saying that the decision may be recorded accordingly. Vajpayeeji was already on his feet, and knowing Sahib Singh's temperament, perhaps did not want to tarry. He just said: '*Dekh lo, dekh lo*' before escaping from the Cabinet Room. Sahib Singh peremptorily told the Cabinet Secretary: '*Likh lena theek se*', before striding out of the room with his precious papers. So, the Cabinet Secretary was left to record the decision without even knowing the subject or the decision. While it is always amusing to witness such a farce, one cannot entirely shut one's eyes to the implications of taking decisions at the highest level with a complete absence of application of mind.

A parliamentary democracy was expected to be the most reliable system for enabling people's indirect participation in key areas of governance. In the first three decades after Independence, this was attempted to some extent. A Prime Minister like Jawaharlal Nehru, who lived as much in the realm of ideas as he did in the rough-and-tumble of partisan politics, would not arrive at any major decision without taking parliament into confidence. Strictly under the law, only a handful of issues need parliamentary approval—for new legislation and the Budget, parliamentary approval is mandatory. However, for a vast number of far-reaching decisions, the executive need not bring it to parliament. In the last two decades the trend has been to bring as little to parliament as possible. For most of the far-reaching changes in the economic arena, the government has never obtained the *sense* of parliament. Strictly under the constitutional provisions, even something as far-reaching as the civil nuclear agreement, does not require a discussion in parliament. In the last two decades, one has seen that most of the decisions relating to globalization—liberalization have bypassed a discussion in

parliament. As has been observed earlier in this memoir, the level of scrutiny by the executive has gradually been whittled down to near-nil, and with the government choosing to avoid even parliamentary discussions, key decision-making has gradually gone into the hands of a few tsars. Many of the stars of the financial world, who are the effective wielders of power, have really no constitutional legitimacy to do so on an exclusive basis. They have not been elected at any level and enjoy no representative authority. In effect, the more significant decisions of the government are now being subjected to less and less of democratic scrutiny.

The events in the last few years bear this out starkly—the Budget for the year 2007–08 was passed without a minute’s debate, and the supplementary grants for the same year were passed amidst noise and confusion without a moment’s debate. The Budget for the more recent financial year 2011–12, was also passed with the most minimal discussion. The political partisans will throw blame at each other for this state of affairs, but at the end of the day, the fact remains that the most important annual duty of parliament was completed without a moment’s deliberation.

Many key economic decisions of the last decade have been smuggled through without any democratic debate, whether in parliament or outside parliament. The position the country took during the WTO negotiations was never transparently discussed; even the concerned ministries outside the charmed economic cabal, were not consulted. Having worked in the Ministry of Health and Family Welfare I know the immense social damage caused by this approach. Initially, when the Ministry of Commerce and Industries took a position on trade-related intellectual property rights, the Ministry of Health and Family Welfare was not even consulted in passing. The fact, that the issue was coordinated by the Ministry of Commerce and Industries, inevitably led to the lop-sided approach. Surely, the intellectual property rights relating to the industrial sector, is not the most sensitive element of this complex issue. Outside the world of commerce and industry, it would appear to me the impact of intellectual property rights would be most critical on the health system and the publishing world. We all understand that if intellectual property is inadequately protected for the inventor, development of new technology and ideas would be hobbled, growth would slow down, profits may reduce and consequently, reinvestment may taper off. All that is serious, but it still would not justify unlimited protection to intellectual property rights. If key pharma technology is iniquitously denied to us because of unequal intellectual property rights, our health security, which in fact is a form of the right to life, would be grievously endangered. But, in the initial stages, the Indian negotiators in the Ministry of Commerce and Industry were oblivious to the irreducible needs of the health system of the country—if the economy and national wealth grew, it was believed all else would look after itself.

It was only at a much later stage at the time of the Doha Round, that Industries Minister Murosali Maran took a tough position regarding the irreducible requirements of the health system of the developing countries. This stand taken by the Indian representative went a long way in helping the group of developing countries create some comfort space for themselves in the matter of health emergencies, a concession grudgingly granted through the content and tenor of the Doha Declaration. I know for a fact that the small and belated role India played at the Doha Round was considered significant by the then Director General of the WHO, Dr Gro Harlem Brundtland. Much to my amazement, in the course of the Executive Board meeting, she took me aside in the coffee break and

asked me to convey her thanks to the government for the contribution it made in ensuring some protection to the developing countries. Normally, it would have been a matter of immense pride for me to go back home and inform the authorities that the country's contribution was internationally acclaimed. But, when I reflected on it, I was hard put to identify who I should convey these sentiments to—in the language of the economic tsars, any such initiative was obstructive and against the greater global good. Not finding anyone who would appreciate this compliment, I saved it for my memoir!

As I foresee it, in the near future, there will be a large number of very complex issues that, in a true democratic spirit, would require participatory decision-making on a nationwide scale. There has to be some mechanism for presenting the issues in simple terms for the understanding of the wider community. The contentious issues of the recent past—the Civil Nuclear Agreement, the Climate Control Controversy, the G-M Plant Products Issue, or the introduction of the GST—illustrate this problem aptly. We are all at the mercy of the experts who throw bald and utterly opaque statements at us with the attitude, take it or leave it. The specialist class, strongly backed by the State establishment, has found it useful to create a thick mystique around the issues. The risk of manipulation of decisions as a result of this is enormous. Recently, some of the climate change predictions being put forward by all manner of experts, including the highly regarded Inter-governmental Panel on Climate Change, have been found to be scientific rubbish. This came to light after years, and the average citizen has no idea as to how this could have avoided scrutiny for so long. In the Indian administrative structure, as it exists today, the apparatus for examination of policy issues has been dismantled. It is not our claim that a traditionally functioning administrative system would have immediately spotted the technical inconsistency or other specious claims. But, what that apparatus ensures is a structured examination of issues from the perspective of public interest. This has the effect of demystifying issues and ensuring that the opaque process does not permit some rogue to get away with fraud—this is the essential merit of the system for examination of public policy. It is when the issues are dissected, as a set of questions and answers within the range of understanding of the larger community of people, that appropriate democratic decisions—in which the community places faith—can be adopted. It is a matter of concern that decision-making in the complex emerging issues has now come to be left in the hands of a clutch of exclusive specialists, from within and outside the government. In this backdrop, the civil servant must reclaim his original role of policy advisor, by sieving all important issues through the policy analysis process, to ensure that the decisions finally taken are in the public interest.

While preparing national policies or programmes for broadband issues, wide-span consultations within and outside government, are always necessary. In my observations on the private corporate sector I have sometimes been somewhat critical of its role. This should not be misconstrued. The ground reality is that the private corporate sector is large and important. Their suggestions, and even general views, have an important place in the participatory process of policy formulation. However, the corporate sector viewpoint needs to be expressed in clear and nuanced language. What is observed is that the corporate sector position is often spelt out in sweeping, jargonized language, bereft of evidence or nuanced analysis. There is an excessive top-spin to it, if one may put it that way. Anything that is labelled as 'economic reforms,' is axiomatically considered a virtuous initiative. If at

all there is any claim of broad public interest in the proposed initiative, it is unabashedly dressed up in clichés of sanctimonious humbug. The shrill pitch of the text has a stamp of certainty about it that is normally a feature of hand bills.

In any process of policy formulation, policy discourse would occupy a key position. The input to this policy discourse from the side of the corporate sector needs to be reasoned and analytical; unfortunately, in the past their inputs to the policy debate have not been useful for analytical purposes. The inputs are in sweeping terms, where the point of view expressed is assumed to be unassailable. Any assessment of the performance in the corporate sector is an exercise in extravagant self-praise; reviews are largely drummed up in the language of macho triumphalism. Hyperbole is not the desirable idiom for policy discourse. If the corporate sector is serious about policy discourse, it must begin to articulate its views in a rigorous and nuanced idiom. The government, in turn, must re-establish the in-house system of reasoned policy analysis.

HOW THE PUBLIC SERVANTS STACK UP

When we started as public servants in the mid-sixties, the personal integrity of public servants was an irreducible requirement. The situation steadily changed over time, till we are at a point today when the media is awash with lurid accounts of public scams on every side. Loose talk in corporate and business circles would have us believe that all civil servants are purchasable—if they don't settle with one interest group, it is because they have already settled with the other group! Such a description of the prevailing work atmosphere—although the atmosphere is one which is polluted through ethical compromise—is hugely exaggerated.

If I am to hazard a guess, for my particular tribe—the IAS—about one-half of the members are not personally financially corrupt. I choose these words carefully to limit the intended span of meaning. Of course, that statement still leaves a huge space in which even the uncompromised half can cause immense damage to public interest. In this group there is one section that suspends its own judgment on issues of public importance. They may well know that some other bureaucratic or political executive is making a critical compromise, but would impassively let it go unchallenged even though they would themselves scrupulously refrain from any personal monetary benefit. Most of us from the middle class have a deep-rooted reverence in our psyche, inherited from our parents, for formal financial rectitude. Deep down in our ethical genes, we are still sensitive to the virtue of financial rectitude, while quite casually rationalizing away the need for intellectual integrity. This applies to the section of civil servants who participate in the process of governmental corruption without partaking of the gains from it.

The second group consists of those who do not actively participate in financial corruption, but adopt an approach of total passivity. The professional challenges, which have a substantial influence on the socio-economic environment around us, are greatest where the possibility of compromise of integrity is the most. The second group of civil servants deliberately opts for a sector of public administration that is entirely routine and unchallenging. In the IAS, about half of the positions available, come in that category. In my state, Gujarat, these would include among others—Chief Editor of the District Gazetteers; Revenue Inspection Commissioner; Commissioner (Training);

Special Secretary (Revenue Appeals); Secretary, Cow Breeding, Devasthanam and Pilgrimage; Director General, Labour Institute; Director General, Sports Authority; Managing Director, Sheep and Wool Development Corporation; and Member-Secretary, State Sangeet Natak Akademi—where one can safely be put away and can remain in undisturbed slumber. There may always be some routine activity in these assignments, but it never challenges one; also, these are not the assignments that are placed high in the priority list of the civil servants, and that, too, has an impact on the motivation of the incumbents. However, if one puts aside professional aspiration—and many have readily opted out—these are ideal positions. Large-scale public interest is seldom at stake in these jobs, and no one has ever been ethically challenged in the discharge of these duties. Officers who opt for such an area of public administration are many. They put away in the deep freeze all that they possess by way of competence; some make an even greater sacrifice in stowing away what may be called talent. This is obviously not a very responsible approach to discharge of public responsibility, but many are driven to it.

Taking the long view of the history of India since Independence, there is no gainsaying that the higher civil services have not earned a very high reputation; at the most, for the larger part of the period, they can be said to have carried out a fairly competent ‘holding operation’. Sceptics need only look at the performance of the civil services in the neighbouring Southeast Asian countries that gained independence around the same time as us—Pakistan, Bangladesh, Sri Lanka, Myanmar and Nepal. Certainly, the State-guided development strategy in India has not been as productive as one had expected. The switch in focus from a regulatory administration to a developmental one was not very competently negotiated. Since the nineties, the need for a further shift to a strategy that encashes on global economic integration, while at the same time targeting the specific weaknesses of our domestic economy, has not been successfully achieved. The bureaucracy has not been nimble-footed enough to adapt to the rapidly changing scenarios. Another aspect to bear in mind is that the results in the area of public governance are always through the complementary efforts of the political and bureaucratic executives. One should not be considered partisan in saying that, if any group in society suffers a lack of credibility greater than the bureaucratic executive, it is the political executive. Being yoked to the political executive in the perception of the citizenry, gives the civil services a public image that may be blacker than really deserved.

Societal roots: Where they came from then; where they come from now. When trying to deconstruct the mindscape of civil servants, one has to go back to the entry point. To a great extent their social background and the construct of their vision determine what type of public servants they show up as during their careers. In the time we were recruited, the age of entry was a significant factor shaping the mindset and value system of the civil servants. Most entered service in the twenty-one to twenty-four years age range; it was still an impressionable age for anyone—the mind was still constructively malleable. I talk of the mid-sixties when career options in the country were few. Private sector employment at the executive grade was found only in the world of ‘box-wallahs’, and entry to it was strictly restricted to an elite social class. However, for most promising youngsters of an ordinary social back-ground, the civil services offered an opening with immense opportunities and

standing in society, combined with the attractive prospect of a secured middle-class life. The attractive feature was that despite the magnitude of the competition to enter the civil services, the playing field was level to all in every possible way; though, no doubt, the nature of the competition was subject to the age-old structural faults inherent in the social system.

Only those with an access to a university education were eligible to compete, and university education, for various socioeconomic reasons, was available to a limited number. However, the even-handedness of the process of selection for those who could enter the competition is something which is marvelled at even today. The UPSC, which conducts the process of selection to the higher civil services, is one of those robust institutions that secure the stability of the Indian Republic.

Making the cut for the civil services is a daunting task. The scale of competition for the limited openings is immense. For that reason, after a Herculean preparation for the qualifying examination, if successful, one staggered into the civil services with a great sense of achievement. The relief of entering as attractive a career as was possible to imagine then, was, without exaggeration, cathartic. The career promised to be an extremely rewarding one. Those were the days of immense social challenges. The economic restructuring of society was under way, even if many complained that this was only in fits and starts. The social churning was also underway with its own dynamics. A civil servant had immense opportunities of pursuing issues of public interest. At that stage, the State occupied the nodal position in the arena of the economic and social development of the country. Private contribution by way of capital, expertise and entrepreneurship, was meagre. The principal thrust of national development was provided through State effort. The civil services occupied centre-stage in the development process in that age. Up to the end of the twentieth century the thrill and challenge of being a public servant in independent India, was, perhaps, unmatched.

The civil service still remains a highly prized profession in the country, though, perhaps, it does not occupy its earlier preeminent position. Private enterprises, particularly in IT, merchant banking and the financial sector, with their astronomical monetary returns, are the first choice of many youngsters entering the adult world today. However, for many others, particularly from the newly empowered sections of society, the first choice is still the civil services. The process of social restructuring is not just one of redistribution of incomes and wealth, but is, perhaps, even more fundamentally, that of social empowerment. Deep in the psyche of the underprivileged of the country is the dream of exercising State power. It is this yearning for power which drives over five lakh Indian youth from all social strata to annually apply for selection to the civil services—for that outside chance of making one of the nine-hundred-odd available slots. For some it is the mission of a lifetime.

One interesting aspect for me is the change of the social profile of the new entrants to the civil services over the years. In our time, in so far as the economic features went, we were mainly from the middle class, seldom from below the lower middle class. All of us had studied in English and were reasonably conversant with the language. Our privileged world did not recognize any social segmentation—we belonged to an egalitarian community of world-beaters! It is only in retrospect that I now notice the anomaly that very few entrants were from the OBC and Muslim communities.

In recent times the social background of the candidates is much more heterogeneous. After my

retirement, I have been assisting a non-governmental coaching centre, in preparing candidates for the civil services examinations. The nongovernmental institution focuses on the underprivileged candidates from the Muslim and other constitutionally reserved categories. One is constantly struck by the variety of social backgrounds from which aspiring candidates now originate. Some of them are first-ever graduates in the genealogy of their family; others have come from families of unskilled manual labourers, and have also pursued that activity over different periods of their life. Some others have been in minor jobs for much of their adult life, and with their meagre earnings have supported their parents and siblings. In interacting with them, it was mind-boggling to try and track the journey these aspirants had made. A moment's reflection makes it clear that such aspirants originate from a level in society where they had practically no access or right to any form of social power, State power, or State entitlement.

I will never forget one candidate I came across during those interview sessions. This young man was a Muslim of the OBC category from village Jhabua in Jharkhand state. For a decade he had been working as an assistant teacher in a primary school in the village. His parents were illiterate farmers owning a couple of acres of land, which had whittled down over the years when portions had to be sold to fund unavoidable family responsibilities such as weddings and illnesses. Our aspirant had studied as a regular student in an institution only up to school; he graduated from an open university. He had to take up employment soon after school because of his family's financial circumstances. His medium for the civil services examination was Hindi; he spoke the language with an easy and nuanced skill. The interview board was naturally interested in his background and family history. He was asked a number of questions on village social dynamics and the emerging socio-political scenario in northern India. He answered all questions frankly and in an utterly candid way. He was timid and diffident in his manner, but precise and intelligent in the formulation of his replies. He described the inter-caste and inter-community jostling not in adversarial terms, but with mature objectivity as an inevitable tussle between economic classes in an emerging egalitarian society. He was clearly aware that his efforts—to improve his prospects, by venturing to compete for the civil services—was itself a part of the inevitable dialectical flux in any society that is structurally fractured, but aspires to achieve an egalitarian character. His performance was a balance between a mature acceptance of his current position in society, and his dream of where he wished to position himself in the society of the future. The board was very impressed by his performance, commended him and wished him all luck for the final interview.

Thereupon our young aspirant rose, shyly bowed to the board and turned to go. He took a few steps, and then suddenly he swivelled around, and with a tremulous smile started walking backwards towards the door. For a split second the board was speechless—then someone managed to ask: 'What are you doing? What is this tamasha?' The young aspirant again gave his shy, trademark smile and said: 'I thought, how I can show my back to your Honour?'

This interlude was a jolt for the interview board. The young aspirant was called back and made to sit down. Then, in the plainest and calmest of language, his status, when he sits before the UPSC selection board, was explained to him. In simple words it was put across to him that, out of the lakhs of candidates, after two stages of written examinations, he had been called for an interview in a select

group of about two thousand candidates. By these facts alone, he should consider himself an outstanding candidate who should confidently, and with dignity, appear before the selection board. The members of the interview board were ordinary people. They were not the *banda nawaz* bestowing a favour on the *banda*. He should not display any subservience, only a polite, confident dignity. Again, we wished the young man well and sent him off with the admonition that we would feel sorely disappointed if we did not see his name on the list of successful candidates. Our young aspirant rose for the second time, his tentative smile in position, and this time walked to the door as one normally does in this day and age.

That night, as I reflected on the happenings in the interview, it struck me that despite all the social transformation that we talk of, India still lived in several different historical ages with their varying models of social dynamics. Our young friend, despite a very down-to-earth understanding of the India that he lived in, harboured deep in a corner of his psyche the impression that the selection committee that could give him entry into the civil services was the *banda nawaz*. Despite all his capabilities, he considered himself a humble supplicant who has to take leave of the selection committee in abject veneration.

This story has a happy ending. About one month later the results of the examination were declared. I hurried to find out my young friend's fate. And, yes, our long-distance traveller from Jhabua was very much there, positioned at a creditable slot in the list. Quite clearly his had been a long journey, without a map or compass. And now that our young friend had entered the charmed circle of the higher civil services, I wondered how he would conduct himself in the new social milieu. Would he ever recall the road he took from Jhabua, and would this impact on his thinking and attitude as he performed his duties? Or, would he unconsciously mimic the elite group of self-promoters and carpet-baggers without even noticing it? I find it difficult to believe that the tentative smile would easily turn into the swagger of an exploitative officer. But then, in such matters who can predict? The only reality is that this underprivileged lad from Jhabua, partly through his innate talent, and partly thorough fortuitous circumstances, came to be empowered in what can only be called a societal miracle.

PUBLIC INTEREST: THE DISCARDED TESTAMENT

A feature that has always been of interest to me is the difference in value systems and the life goals between an entrant into the civil service in our time and the entrant today. The mindset of the entrant in our time was less money-centric. This was not because we were ascetics by temperament, but because not much money was being splashed around in the other available professions. As IAS probationers we got four hundred rupees as basic pay, plus dearness allowance and city compensatory allowance. It was a comfortable living salary for a time when most probationers had no other family responsibilities. The truth is that living expenses were so little that a large portion of the princely amount of about four hundred and fifty rupees that we received in hand was available to paint Mussoorie red!

In the sixties, the expression 'public interest' had not yet become a derisory expression; public servants had still not become objects of elite ridicule. Societal values were not so obsessively

materialistic. Old-time leaders served public causes and set the ambient value system. The old-school public workers had a steady and unchanging value system. It was widely accepted that public affairs was largely related to serving public interest. In that social atmosphere, without consciously being high-minded, ordinary civil servants readily adopted a commitment to public interest and scrupulous financial integrity.

In today's liberalized world, there are so many lucrative openings for bright youngsters in newly emerging areas that many of the brightest job-seekers head for these areas. However, for the youngsters from the disadvantaged section, the prospect of wielding State power, even if it goes with a lower salary is still an equally attractive option. Also, holding of public office does not necessarily mean more modest earnings. Deviance from financial integrity is a fairly commonplace feature at any level of the services now, and the scale of aggregate financial corruption for those so inclined, has reached gigantic proportions. For many in the civil services today, the possibility of amassing huge wealth within the service is a real and attractive one.

Increasingly, the civil servants are working in an environment where an enormous amount of money is floating around, and with many more discretionary decisions, partaking of that money is effortlessly within reach. Also, this is a period when the scale of conspicuous consumption in the society, in general, is becoming mind-boggling. Large corporate houses behave as though their corporate image is contingent upon the size of the compensation packages paid to the senior executives. This corporate exhibitionism has become obsessive—the high-flyers of the corporate world behave, in the public arena, like shameless 'streakers'.

In our time, the public service delivered by the new civil servants was nowhere near perfect, but it was, what one could call, 'acceptably wholesome'. The stakeholders of the system—rural citizens, applicants, respondents, accused, advocates, the community, et al—were prepared to put up with it. The new entrants in the civil services today are a different breed. For one, most of them are much older, many being in their early thirties. They have seen the rough and tumble of the world for many years. They are less impressionable at the time of entry than the younger entrants half a century ago. Most are married, with families, and many are supporting their parents and siblings. As they have already entered middle age, they do not have mental space for many conceptual issues or ethical debates; there are too many pressing practical family problems on their mind. They can still be expected to understand the need for financial probity, and their responsibility to discharge the duties assigned to them competently and conscientiously. However, at the conceptual level, their role is never perceived by them as furtherance of 'public interest'.

In all this competitive rush in the contemporary economy, the original testament of the civil servant—to serve public interest—is forgotten. Increasingly, the unspoken message is that private interest is *ipso facto* tantamount to public interest. In the imitation of the private business style, civil servants at all levels have become sorry caricatures of what they were meant to be. In the ambient atmosphere, the new civil servant of today has lost the innocence of yesteryears. The no-frills, 'public interest' approach is not widely accepted any more. The relentless drive of the private sector, quite often supplemented by the good offices of the government, diminishes the primary commitment of the civil servant. Not many new entrants would recognize the phrase 'public interest' as the cardinal value of

the civil services. Many of the earlier generation have also forgotten the phrase ‘public interest’, which was the mantra of the civil services in their early years. The coin of ‘public interest’ is now an extinct currency. The current entrants may still be quite sincere about their work; they may set themselves any number of functional goals—growth, systems design, structuring of modules and many other packets of contemporary jargon. Their efforts may even result in substantial public benefits. But, the central goal of the old-time civil servant, at the conceptual level—public service—would be an expression that the new recruit would be embarrassed to mention. These comments are made not to disparage the mindset of the current civil servant, but merely to compare the principal features of the services then and now. Needless to say, to a large extent it is the changed societal circumstances that have modified the attitude and mindset of the new entrant.

Caring for the Civil Services Family: 1996 to 1997

ESTABLISHMENT OFFICER

The tribe of central government servants is huge. The EO is entrusted the responsibility of caring for the senior members of the government family belonging to a large number of different cadres. His post is a unique lynchpin in the organizational structure of the central government that has existed for decades. In layman's language, this is the key official heading the Personnel Division in the Government of India. The administrative duties include: placement of senior officers in the central secretariat or any other government institution in the country; appointments to autonomous bodies and public sector undertakings; disciplinary action; promotions; etc. Technically, all government officials categorized as Class 1 officers would be called senior officers. In a bureaucratic hierarchy the issues relating to postings, promotions, disciplinary action, and so on, assume a seriousness which may not quite be understood outside. In government, for example, the posting of officers in positions perceived to be challenging vis-à-vis the posting in backwater posts, assume an extraordinary sensitivity. The disturbance of the inter-se seniority of an officer vis-à-vis his peers could become an issue that completely shatters his equanimity. The personnel matters relating to government servants are expected to be determined strictly by the rules. Officers have certain rights under the rules and, being rule-conscious, are always insistent on exercising their rights. Any negative application of the rule is perceived to irremediably damage the future prospects of the affected officer.

Traditionally, the EO has enjoyed independence in functioning to a degree seldom permitted in any other post in the government. Though nominally the EO is under the Secretary to the Department of Personnel, for almost all functional purposes he was allowed autonomy. Conceptually, in a settled organizational structure in the private sector, the personnel administration wing is an important one, but never a pre-eminent one. However, in a hard-core, career civil service, it acquires a near-unique stature. The post of the EO is only in the cadre of Additional Secretaries; in the higher civil service organizational structure this is no big deal. The governmental system has about 130 posts of the Additional Secretary level and 150 posts of the Secretary level. From these numbers it is clear that the Establishment Officer is only one of a group of many peers and seniors working in the bureaucratic capital of Delhi. That it is perceived to be a key post is because of the nature of the responsibilities and the independence permitted to it in discharging them.

The principal duty performed by the EO in respect of several thousand civil servants—adjudicating in the matter of postings between the positions perceived to be attractive (Ministry of Commerce, Ministry of Industries, Ministry of Petroleum & Natural Gas, Ministry of Power, Dept. of Economic Affairs, etc.) and the run-of-the-mill, regulatory Ministries (Ministry of Home Affairs, Ministry of Labour, Ministry of Statistics and Programme Implementation, Dept. of Expenditure, etc)—is a difficult one. Many of the perceptions of the civil servants about challenging assignments may

not be very rational. Strangely, the Ministry of Agriculture, covering the most critical sector of our economy, is low in the preferred list of senior officials seeking placement in the Government of India. The ministries overseeing the social sectors were not even blips on the radar recording posting preferences. Looking at these perceived preferences from the viewpoint of public purpose, they certainly seemed off-the-mark. While these preferences reflected the warped value system of the civil servants, to a large extent this was induced by the flawed developmental strategy of the government itself. In its overarching values, the government placed international trade, industry, banking and corporate affairs at the hub of governance. No matter how capable a civil servant was, if he was not placed in the preferred ministries, he, in his assessment, did not rate himself better than mediocre. Things reached such a pass that officials in the Establishment Division (which itself was not rated as the bottom of the pit!), considered a lateral transfer to a preferred ministry as their ultimate dream. The perceived priorities of senior officials reflected the misdirected strategy of development of the government. More of that will be discussed later, but for the present it would be sufficient to note that, as a result of this caste system that had been encouraged by the government within its own family, at any point of time a crowd of senior civil servants would be at the neck of the EO because they never succeeded in getting a placement in a ministry of their choice.

I had the opportunity to work as the EO over a period of one-and-a-half years in 1996–97. The traditional, independent system of working in that division was still intact to some extent, though we were under constant and increasing pressure. It would be patently dishonest for me to pretend that in my tenure the system worked like clockwork, regularly delivering objective and even-handed decisions. All I can say is that in that period, we were still expected to run the traditional system, even though at times it gave way under pressure, when some individual with immense ‘relative merit’ got what he wanted outside the norms. In plain language, the system sometimes failed under the assault of nepotism. In this age, when the upper-rung citizenry stalls affirmative social action with the assertion that we should build a meritocracy in our country, they fail to see that what, in fact, they are getting is not a merit-based system, but a ‘relative-merit-based’ system.

It may seem astonishing in this day and age, but a decade ago, the community of senior officials was willing to implicitly trust the lynchpin of this system—the EO—for his objectivity in managing the process. When I recall the names of the personalities who occupied the position in the previous three decades, it becomes apparent how the faith in the system survived even up to the devalued times when I occupied the position. On the board hung up in the EO’s office are the particulars of the officers who had earlier held that position. Many of the names are of those well before my time, though even civil servants of my vintage recalled them as legendary officers. Out of those listed on the board, to me the most notable star was M.G. Pimputkar. He was the same Pimputkar who had vowed to make us probationers into *chota-Pimputkars* in the course of our probationary training! He was an officer of impeccable propriety and commitment to duty. When chatting amongst ourselves, we had always agreed that even the Almighty would have hesitated in suggesting an impropriety to him! Several other sterling officers feature on that list after Pimputkar—R.K. Tikku, J.C. Lynn (Jesus Christ as he was called behind his back!) and Mata Prasad. They were dour but uncompromising officers who knew that the institution they headed was a fragile one, surviving principally on trust.

We often joked about their impassive and colourless exterior, but not one junior would dream of distrusting them. The government could legitimately take pride in this sensitive institution that survived on trust and had largely succeeded over the decades. It is a shame that this institution has been completely dismantled by now.

As I have mentioned in passing earlier, in my experience of the Establishment Division in 1996–97, pressures were increasingly being mounted and values of the institution were being noticeably whittled down. However, in the situation prevailing, the Establishment Division could still assert the application of its even-handed procedures. While there was considerable pressure in the course of decision-making and, consequently, friction in the process, the institution had still not lost faith in itself; and equally, in the ultimate reckoning, the community of senior officers retained their faith in it.

As mentioned earlier, the new areas of focus of governance in this period required skill-sets in which many civil servants were not trained. This, though, should not have been an insurmountable problem; some orientation programmes in the new focus areas of governance, along with rotational stints of postings between commerce/industry, rural development and regulatory sectors, would have eased the problem. The civil services were established for providing ‘generalist’ skills. This expression is sometimes used as a ‘pejorative’. However, the truth is that ‘generalist’ skills cover a vast span in public administration. Almost no issue of national governance is limited to one narrow academic discipline. The skill of the public administrator lies in navigating between the several disciplines that converge on any public interest issue. With a more sensitive personnel policy, it should not have been difficult to equip all civil servants for the altered scenario of governance. However, the tsars on the national economic scene were not willing to work within the concept of a ‘generalist’ civil service. They, in effect, created an exclusive sub-cadre of the civil service to man the senior-level positions in the ministries they reckoned were important for the country—Dept. of Economic Affairs, Ministry of Heavy Industry and Public Enterprises, Ministry of Commerce and Industries, Ministry of Petroleum and Natural Gas, Ministry of Power, Ministry of Information Technology and some key divisions in other less-rated ministries. The Department of Personnel was uneasy with the trend and saw the impending danger of creating an institutionalized caste system in the central government. The economic ministries were perceived to be more attractive to the service officers. I am not sure whether there were tangible gains in the so-called economic ministries. However, in any closely competitive service cadre, the perception of the members is all important.

And what happened to the vast number of civil servants who were outside the secured cabal of the economic ministries? Many of these were very capable individuals who lacked the pliability to easily merge themselves in the cabal. Many of them struggled in the system for some time, but soon tired. Gradually, they veered around to the position that if their master did not want them to diligently discharge their responsibilities, who were they, as employees, to press the matter? Many of these highly gifted officials lapsed into complete passivity, eventually drifting into some corner of the backwaters, where they were forgotten. Amongst this group of civil servants, the ‘shelf-posts’ were the prize posts. Nothing suited them better than to be put away as the Chief Editor of the District Gazetteers. There is no defence for their passive attitude, as, by virtue of being members of the premier civil services, they were expected to hold their own against any odds. But, it could at least

be said as an extenuating circumstance, that, given their human limitations, they could not take the pressures beyond a point, and opted out. It is some saving grace that at least they did not actively promote what they knew to be wrong. The result of this entire process was the establishment of a new caste structure in the civil services.

When I write about this deterioration in the situation, I do so with considerable experience in the economic and industrial sectors—in my thirty-seven-year career of government service, I have served for about fourteen years in the economic and industrial sectors, between the central and the state governments. Hence, I think I would be entitled to claim that these conclusions are not of someone who was denied exposure to the so-called preferred sectors, and was, therefore, enviously looking in from outside—in fact, I have seen the view on the other side, and, believe me, that view is not particularly pleasing!

CONFIDENTIAL REPORTS: OPEN DOCUMENTS

An objective and uncomplicated methodology for assessing the performance of civil servants has eluded us since the very beginning of the organized bureaucracy. Broadly, we can choose between the ‘open performance appraisal system’ and the system of ‘confidential reporting’. Within this, innovations can be introduced to quantify the assessment of various attributes. The former system has worked with a considerable degree of success in the defence services. So far it has not been adopted in the civil services on account of the apprehension that it is likely to sour the working relationship between the reporting officer and the officer reported upon.

The practice of confidential reporting has been a dismal failure in the civil services. In point of fact, civil service assessments are not confidential. Administrative controls are so lax that anyone who is keen to know can easily obtain information on the entries in his confidential report. For all practical purposes it is an open document. In the civil services, the danger to the career of the civil servant is not so much from categorically adverse remarks, as from indifferent and lukewarm remarks. If the comments are adverse, they have to be communicated, and the officer has the opportunity to represent against them. The process of review of such representations is reasonably objective. Therefore, when some reporting officer has adversely reported on a subordinate, and if the remarks are unjustified, there is a reasonable chance of them being expunged through the review process. However, it is the indifferent remark that effectively kills the future of the officer. These are not considered adverse, and are not officially communicated. Thus, the damage is permanent and without recourse.

However, as the confidential reporting system has become perverted, in many states an assessment of ‘outstanding’ is indiscriminately scattered around. In several states, regardless of merit, some 50 per cent of the civil servants belonging to the IAS are graded ‘outstanding’. Therefore, there is inadequate comparative evaluation of merit in the system. When it comes to promotion to the higher echelons of the civil services, the confidential reports reveal little. While in many states the practice is to give extravagant confidential reports, a few go to the other extreme, by recording very measured remarks. For example, in UP and Bihar large numbers of officers are graded as ‘outstanding’, while in the north-eastern states, a really capable officer in the last lap of his career, may be assessed:

‘Quite good; is improving fast.’ This kind of assessment made one worry that unless the guy picked up speed, he would still be stranded on the learning curve when he retired! The rules for writing of reports specify five categories of grading. The three on the positive side are ‘Good’, ‘Very Good’ and ‘Outstanding’. In UP, the grading recorded in Hindi has created a new category—‘*Paramuttam*’. When I encountered this for the first time, I asked a UP cadre friend what this meant. His reply was: ‘Super-outstanding!’

The Establishment Division had always been concerned about the need for moderating the confidential reports originating from the varying practices in different states, so that selection for senior-level posts can be made in a fair and objective manner. While informally talking to the Cabinet Secretary, I once made bold to suggest that, since *prima facie* there was very little to choose between the potential of one IAS officer and another, one could reasonably expect that the same proportion of good, bad and indifferent officers would be found in the different states. In view of this, I suggested that the Establishment Division moderate the reports of different states so that, say, the state of Sikkim has the same proportion of outstanding officers as UP. The opposition to it was surprisingly vehement. He said that it would bring about a second *mandalization* in the country; it was apparent from his tone that he was not in favour of the first wave of mandalization too! To press my point I told the Cabinet Secretary, himself an officer of the UP cadre: ‘Sir, it always surprises me that in UP all the officers are graded outstanding, while the governance in the state is the worst.’ I must confess that the Cabinet Secretary was not in the least amused.

THE CHIEF’S AASHIRWAD: MAY YOU MEET YOUR MAKER SOON!

With each passing day of my tenure in the hot seat as EO, it became more and more uncomfortable. I had never been very adept at anticipating the wishes of my seniors. I was inordinately honoured in being given the position of trust as the EO, and that perhaps made me even more self-conscious. In the event, my rapport with the senior officer I reported to—the Cabinet Secretary—was not the warmest imaginable! As I perceived it, the Cabinet Secretary played the godfather to a vast number of favourites, most of them from the UP cadre. Also, he did not seem to be very discerning in the selection of his favourites. From time to time, in a chummy manner, he would slip in a *sifarish*, always adding that the case was, in his reckoning, a deserving one. Almost always, the comment was a personal assessment as to the suitability of the individual to a particular coveted post. In almost all such cases, I had to point out why that could not be done, always referring to some awkward norm or guideline. The Cabinet Secretary was obviously not pleased but was smooth enough not to show it. Our batch at this point of time was being considered for promotion to the Secretary level and there was much speculation and gossip floating around. The slightly strained relationship between my Cabinet Secretary and me would have remained an insignificant issue had it not been for another incident which came to my notice in an unusual way.

As the EO, my office room was located in North Block, with a view of the resplendent Rajpath. This is one of the priceless fringe benefits that go with the post. Watching the President’s bodyguards in their colourful uniform, mounted on magnificently groomed horses, is a memory I will always cling to. On some Saturdays one could witness the ceremonial changing of the guards from a vantage point

as excellently as would have been enjoyed by a British Viceroy. On the same floor of North Block, around the corner, was the office of the low-profile Intelligence Bureau, the country's internal sleuthing agency. A very senior officer in the Bureau was of my state police cadre. I was on friendly terms with this officer. The workload of the Establishment Officer is a very heavy one. Most of the work-time on weekdays went in attending or taking meetings. The Saturday, a holiday, was the day I spent in office working on matters that required uninterrupted attention. My friend from the IB also worked through the Saturday. We had adopted a practice of completing our work on Saturdays and then meeting in my room for a cup of tea at about 5 p.m. before we dispersed. It was a half-hour spent in unwinding and exchanging notes about friends. Both of us as seasoned professionals understood that sharing of official secrets would be the end of the friendship.

One Saturday, close to the time for my promotion to the post of Secretary, we met in the evening as usual. We had tea and exchanged some inconsequential gossip. Then suddenly, without any preamble, my friend turned to me and asked me a strange question: 'Javid, how is your health these days?' I was a little startled by the question. I said: 'I am in reasonable health for my age. I have the usual stress-related problems, but nothing significant. I had a laparoscopic procedure conducted on my gall bladder four months ago, but there is no problem now.' And then, I added: 'I wouldn't be able to cope with this workload if I was not in good health.' However, the question had been so sudden that I could not help asking my friend the reason. He smiled and said that this was the strange query he had been asked by the Prime Minister. I was not in touch with the Prime Minister in the course of my official duties, though he may have heard of my name as the EO.

The Director IB meets the Prime Minister at a fixed time each morning to brief him in confidence on any intelligence issues which would be of interest or use to the Prime Minister. In one period, the Director was away on tour abroad and it fell upon my friend as the next seniormost available officer to brief him. After the briefing on security and intelligence matters was over, the Prime Minister turned to him and sprang the question: 'This Javid Chowdhury, the Establishment Officer, is he suffering from a terminal illness?' My friend was taken aback, but said that to the best of his information I was in good health—the workload of the EO was so heavy that no one in poor health would be able to manage. He also mentioned the fact that we met every Saturday evening over a cup of tea, and he had every opportunity to observe me closely. However, the Prime Minister suggested that my friend make a fresh check through his unofficial channels and then inform him. It seems my friend checked through his channels and informed the Prime Minister that the information was false. However, the whole sequence had been so strange that my friend asked the Prime Minister in what context this issue had arisen. It was then that the Prime Minister said that, in the context of some Secretary-level postings, the Cabinet Secretary had mentioned that I was terminally ill and would not be able to discharge the duties of a Secretary if I was promoted to that level!

This incident, in the year 1997, was indeed bizarre. I have no reason to suspect that my friend concocted, or even embellished the story—he would have had to be a very inventive story-teller to imagine such a tale. By the grace of the Almighty, not only was I not ill then, but, as I write this today, I have (touch wood) enjoyed fifteen years of quality life after this incident. In the course of that, I have had the good fortune of being the Union Secretary for a total of over five years in three

ministries and departments—food, revenue and health and family welfare. It was shocking to discover that the doyen of the civil services, the Cabinet Secretary, would make such a diabolic statement about his immediate junior. That a senior civil servant has to undertake tactical manoeuvres, in order to achieve what he wishes to achieve, is well accepted in the practical world—one even accepts that some of these manoeuvres may be on the border of the ethical. However, there would be few in the civil service family who would wish a terminal illness for a junior merely because they were not very pleased with him.

That such an incident can occur is shocking; but the reaction of the Prime Minister is also significant. That the Prime Minister thought it necessary to have the information informally rechecked through my friend—in other words, that the Prime Minister did not entirely rely on the word of his first civil servant—is a sad commentary on the civil services. That the Prime Minister distrusted his Cabinet Secretary, proved to be God’s blessing for me, for the information privately obtained by the Prime Minister determined my future career in the higher echelons of the civil service. Perhaps, the Prime Minister resorted to this further check as he had his own private assessment of his first civil servant.

Some of our defects are in our genes, and perhaps they cannot be corrected. However, the process of periodic screening in the civil services, at the stage of promotion, should at least be successful in weeding out impaired psychological personalities. Lest this account give the impression that all the personalities holding that pre-eminent office are perverse, I must hasten to say that this was an exception—in most cases, it requires enormous talent and character to reach that apex position. Even in my limited term as EO, I served two Cabinet Secretaries—and the other one was a quintessential gentleman!

THE EO IN DECLINE

The enduring memory of my tenure in the Establishment Division is, regrettably, one of disappointment. I realized that even when the letter of the prescribed process was followed, the outcomes were often not consistent with the spirit. In case after case I found that many sterling officers failed to secure assignments commensurate to their talent—year after year, their names were circulated to the more challenging ministries (Agriculture, Commerce, Industries, Economic Affairs), only to remain unselected. Sometimes, to help out such neglected candidates, we packed the panels with handpicked weak competitors, but still there remained a huge pool of deserving officers who could never make it. No matter what was done to even out the odds, someone or the other with ‘relative merit’ shouldered out the deserving candidate. Many of the officers with sterling qualities, but no ‘relative merit’, repeatedly fell through the cracks. When confronted with these demoralized ‘left-outs’ I could only plead that I had tried. But, it was difficult to look them in the eye, as we both knew that trying, but failing, was not a great achievement. Having failed so often in ensuring that the deserving officers got assignments commensurate with their entitlement, I cussedly set my mind in making a personal choice for the two vacancies at the Director level that came to be filled directly under me—one went to a lady officer and another to a Dalit officer, both categories that found it difficult to gain purchase in the secretariat.

The Department of Personnel had its norms for regulating the work experience of ‘generalist’ civil servants: officers were not posted for a second tenure in a ministry. This applied to all ministries, regardless of their ranking in the perception of the civil servants. However, while it made no difference to the not-so-popular ministries, it was intended to block out the monopolization of the desired economic ministries. This policy was opposed tooth-and-nail by the economic tsars. They pleaded, almost to the point of hysteria, that these ministries required ‘background’, and that in the absence of officers with that, the system would collapse. When I heard this spiel, I often wondered whether they thought that work in, say, the Ministry of Rural Development, did not require ‘background’; and, whether they realized that the basic background required was the broad experience of the ‘generalist’. Perhaps, my stint as the EO came when the problem was at a critical point. We could still ensure that names of cherry-picked officers were not put in the panels for the economic ministries, and that the norm of not repeating a posting in any ministry was observed; but it was clear to me that in this ‘Animal Farm’ of the civil services, too, all were not equal. While the Establishment Division did not permit the panels to be stacked according to the wishes of the economic tsars, at the end of the day, only people personally acceptable to them were let into these ‘special preserves’. Try as you might, anyone whose table manners the tsars did not approve of, never got into these ministries. This neo-caste system, that was invidiously introduced, did immense damage to the solidarity and morale of the services. The creation of this economic enclave also jeopardized the independence and objectivity of the ministries.

Increasingly with time, interference weakened the independence of the Establishment Division—the guidelines did not matter, ‘relative merit’ did. This expression ‘relative merit’ encapsulates the dynamics of the social transaction involved. Despite the prescribed procedure, a subjective judgment was required, and this is where the system came to be subverted. Postings were increasingly sponsored and lobbied by relatives positioned in the power system; when a candidate had no close powerful relative, he sought out an acquaintance or friend who had a link with someone in power. Some key postings in economic ministries were even said to be sponsored by corporate houses. The objective processes of placements, which had stood the test of time over decades, increasingly came to be abused by the impact of ‘relative merit’.

While it was extremely flattering in the initial stages to find that the community of officers placed so much trust in me as the EO, in time, the stress of repeated failure in achieving what I wanted to do, took its toll. There were some familiar faces belonging to officers who made monthly visits to my office to inquire about the prospects of a suitable placement. With each visit my welcoming smile became more strained and my stock reply—‘I am trying’—seemed more mechanical. Once, in exasperation, I turned on the visitor to say: ‘My power and capacity to run the system is much less than what you imagine.’ He was not to be deterred; he turned to me and, in an entirely disciplined and respectful manner, asked: ‘Then sir, who do I go to? Will I get my due only when I go to someone outside the system?’ The exchange ended in silence.

The decline in the standards of objectivity and fair play, signs of which were apparent even in 1996–97, has been precipitate over the last ten years. The illegitimate pressures from elements of the political and bureaucratic executive, has reduced the decades-old processes in the Establishment

Division to an empty ritual. The attempt to achieve objectivity through the placement process has been all but abandoned. The panels drawn up for vacancies are dictated by the political executive, or coerced by the bureaucratic executive. Cherry-picked candidates are routinely demanded by Ministers for vacancies in their domain. Even Ministers with the most urbane and cosmopolitan persona are seen to concentrate their choice on their own caste and community. Increasingly, political personalities are creating small, sectarian enclaves for their political comfort. The idea of the senior civil service community being an egalitarian, pan-India community is slowly fading.

Caste-based power-play is gaining an unimaginable hold in India. This weakness for one's own caste is now increasingly found in top Ministers and civil servants also. In my stint as Revenue Secretary I found it impossible to place even a single officer of the level of Deputy Secretary or above, in the department on the basis of my objective assessment of their merit. The Finance Minister, a former civil servant, on account of one political compulsion or another, found it necessary to insist on an officer of his micro-caste, even for the humblest of assignments. This became the talk of the secretariat. Once when we were sitting together in a group in the lunch break, someone suggested that we list all the senior posts in the department, to see how many of them had been filled from the caste of the Minister. It was light-hearted talk but one of the participants of the discussion found it worthwhile to carry out a mini desk-study on the subject. Some time later, he gave me a list from the Minister's micro-caste that reached 25 per cent of the aggregate number of senior posts in the department. And mind you, the micro-caste to which the Minister belonged constituted less than 2 per cent of the population of the country! I still retain a copy of the list drawn up by my friend some twelve years ago, as a keepsake.

OBJECTIVITY IN SENIOR APPOINTMENTS

The structure of our higher bureaucracy has been under tremendous stress and strain. In our system we have the career civil services working in a hierarchical structure. In the IAS, promotion up to the Director level (Selection Grade) is nearly always time-bound. Almost no direct-recruit officer fails to reach that level either at the centre or in the states. As a matter of fact, promotions in the states are even more automatic and quick than at the centre. In the states almost no directly appointed IAS officer fails to subsequently reach the Secretary's grade (SAG). This is often criticized, as in automatically reaching these levels, there is almost no incentive or reward for excellence in performance. Since the IAS cadre is considered a highly regarded civil service, there have been increasing demands that there should be stricter screening before promotion to the higher levels. Considering that the IAS is looked upon as the premier civil service in the country, I am of the view that, the screening to the SAG level for the IAS should be much more rigorous.

Some independent commentators have also expressed the view that we now need to shift to the American system in the higher bureaucracy—namely the spoils system, where each new government brings in its own chosen civil servants for the duration of its tenure—in place of the career civil service system that exists in the country today. This provides an opportunity to laterally induct fresh talent at a senior level. The American system is workable in a country where there is ample job mobility. This is not the situation in India as yet. Without a guarantee of an appropriate job once the

tenure in government is over, there may be a tendency on the part of the appointees to make the best of their current tenures, thereby turning them into robber barons. Perhaps, this is an aspect that has to be kept in mind while taking a call on the issue.

In the last decade or so, there has been considerable controversy over the top-level appointments at the centre—I have in mind the positions of the Cabinet Secretary and the Foreign Secretary. As I have mentioned earlier, the Indian civil service is a career civil service. A career civil service has an unchanging hierarchical character. Under convention, for the two posts mentioned above, the Prime Minister has the discretion to choose. However, that discretion was always meant to be exercised within a small group of the seniormost eligible officers. The exercise of this discretion has become so arbitrary that it now resembles the spoils system associated with the US. If we want the spoils system, then we must openly adopt it, so that each newly elected Prime Minister brings in his own team of senior appointees, who in turn depart when that Prime Minister demits office. We have instead created a hybrid product—discretion is used to hand-pick appointees, regardless of seniority, from a hierarchical system; but these appointees continue even after the administration that selected them out-of-turn, demits. The most glaring example of out-of-turn appointments in the last two decades has been of two Foreign Secretaries.

Shiv Shankar Menon superseded sixteen of his seniors to become Foreign Secretary, while the one previous to him superseded ten seniors from three batches. Most of the officers superseded were in the Secretary's grade, that is, they had been promoted through the principle of 'selection' to the Secretary's grade. All of them were considered Foreign Secretary material. It would have been acceptable if the Prime Minister even went to the third or fourth name in the seniority list in picking his Foreign Secretary. That he found it necessary to go down to the seventeenth position, cannot be defended as a bona fide exercise of prerogative. If one has to go down to the seventeenth position in the list, then one has in effect adopted the 'spoils system' of personnel administration. While saying this, I would like to mention unequivocally, that Shiv Shankar Menon is rated as an exceptional diplomat by everyone who has come in professional contact with him. But that is not the issue—the hierarchical system in a career civil service does not permit fast-tracking of the exceptional to this extent. People may argue that the government was going through some delicate international negotiations in connection with the civil nuclear deal, and it had a right to choose a Foreign Secretary they were fully comfortable with. There were also some ugly rumours about the acceptability of the appointee to the foreign government we were negotiating with. The practice of insisting on personal acceptability of an appointee to the powers-that-be, in a career civil service, is a dangerous one. The career civil service is created on the principle that the civil servant will give his considered advice, regardless of whether it is fully in conformity with the views and ideological line of the political executive, or not. The most valuable feature of a career civil service is its commitment to ideological neutrality. The political executive will accept or reject the advice; and the civil servant will implement the decision, whatever it may be, without demur. If the views of the civil service appointees are always required to be in complete congruence with the views of the political executive, the civil servants' role of rendering objective advice vanishes. The worldly-wise may well say that in the real world, political executives will not tolerate the views of the civil servant if it

is different to theirs. I do not expect senior civil servants to obstruct the implementation of the vision of the political executive. But to eliminate, at the threshold itself, the possibility of a divergent perception in the course of appointment of the seniormost civil servant, is to abandon the model of an independent career civil service. Thereby, the system denies itself the benefits of hearing divergent, but otherwise important, viewpoints. As things stand, the process of selection is being seen as one of unqualified nepotism due to the adoption of the hybrid system at the senior level.

LADIES CANNOT LEAD

Another disconcerting feature in the history of our senior civil service is the fact that no lady officer has ever headed the service as Cabinet Secretary. In the early years after Independence there were very few lady officers and no one came within the range of consideration. However, there have been at least three occasions when lady officers of proven capabilities were eminently suitable, but their claim was overlooked.

The first occasion was in the Janata Dal rule when V.C. Pande, with about a month left to retirement, was appointed, overlooking the claim of Roma Majumdar. Not just Roma Majumdar, V.C. Pande also superseded many other gentlemen officers of the same batch. No reasons were given—perhaps, V.P. Singh, the Prime Minister, felt he would be more comfortable working with V.C. Pande; V.P. Singh had a sensitive socio-political agenda on hand and felt that V.C. Pande would pilot that through more smoothly. In any case, such a reason was inadequate. Roma Majumdar was a Secretary to the government and had enough tenure left before retirement. There was little justification for ignoring her claim in favour of V.C. Pande, who had barely a month to retirement. Even if Roma Majumdar was not found acceptable for any reason, someone else amongst the top cluster could have been selected rather than V.C. Pande, who had almost no tenure left.

The second glaring instance of bypassing of a senior lady officer was that of Reva Nayyar. She was the seniormost officer when B.K. Chaturvedi's tenure was ending during the UPA I regime. She was known to be an extremely capable officer with wide-ranging experience in different sectors. She was serving as a Secretary and had considerable time to go for retirement. I can speak of her credentials from personal knowledge as she worked with me as a Joint Secretary when I was Secretary in the Department of Revenue. This was a golden opportunity to place a lady officer as Cabinet Secretary without making any out-of-turn concession. Yet, her claim was overlooked in favour of K.M. Chandrasekhar, reportedly on the ground that she had remained on long leave when her husband was working in the World Bank. A cursory glance over her Executive Record Sheet would have shown that, despite some periods of leave, her overall experience was richer and more varied than Chandrasekhar's. As far as Chandrasekhar's background goes, in the central government he had worked in the Commerce Ministry, and for over five years he was our Ambassador to the WTO at Geneva. In his last post before being appointed Cabinet Secretary, he was the Union Revenue Secretary. He had almost no senior-level experience in the social sectors. If anyone could be said to be out of touch with the country as a result of narrow-band postings, it was him. These observations are not on the suitability of Chandrasekhar for the post per se, but are offered to highlight the deep gender bias in the psyche of even those at the highest level of governance. We may be eloquent in our

talk about gender equity, but when it comes to the crunch, we always find some way of rationalizing our innate bias.

Most recently, Sudha Pillai was the seniormost officer when Chandrasekhar was due to retire in the UPA II regime. She does not need any promoters to speak for her—she has a solid track record for quiet, balanced and efficient management in the development sector. She had tenure on her side and Chandrasekhar had already enjoyed his run in the most coveted position in the civil service—there was just no reason to ignore her. Yet, the Prime Minister, Dr Manmohan Singh, and no one less, found it to be in public interest to give Chandrasekhar a year's extension, thus permanently ruling out Sudha's chances.

The extraordinary longevity of Chandrasekhar in the post of Cabinet Secretary naturally raised speculation—many believe that he was being used to keep the seat warm for another much junior candidate, who is widely considered to be a member of the extended Gandhi family. Such speculation should not be dismissed as just putrid gossip. As it happened, a certain unforeseen turn of events has led to the abortion of that succession plan. However, the extraordinary twists and turns taken by the powers-that-be in the process of making such appointments lend substance to speculation that accompanies such decisions.

It will never be known whether these lapses were because of an unconscious bias against lady officers, or because of an irrational fixation in favour of those who have specialized only in the areas of commerce and industry. In any case, the fact remains that, we can have a lady Prime Minister, we can have a lady President, we can also, perhaps, have reservation in parliament for women, but we must not—repeat, not—have a lady Cabinet Secretary!

BARRED FROM APPOINTMENT?

Another lapse that is going to haunt our conscience is not ever having someone from the underprivileged communities as the Cabinet Secretary. For the last two decades, one or two members of the SC/ST category have always made it to the list of Secretaries. But it will be a long time before a member of the OBC category comes within range of this hallowed slot; reservation in this category is about twenty-five years old and it will be some time before the first of these entrants reaches the upper echelons. In the case of the SC category, we had one real chance in 1998, but the establishment spurned it. Officers coming in from the reserved categories are normally availing of the age relaxation and are, therefore, older in age than the unreserved category candidates at the point of entry. Consequently, they retire early, before they come within the range of consideration for the Cabinet Secretary's post.

It was a rare instance when my friend Mata Prasad, who belonged to the reserved category, got into the civil service at the earliest possible age in his first attempt at the examination. Mata Prasad's life story is in many ways an instance of fact being stranger than fiction. He came from a very humble background and would normally not have got access to the civil services. He was an innately brilliant student, even though he had none of the support from kith and kin that another talented students may have had. I have heard from people who admired his ability and determination that he was helped through his school and university education by some better placed village elders. He topped the

Allahabad University—in that time, the Oxford of India—in economics at the MA level. He went on to appear in the civil services examination in 1962 and emerged in the top cluster. An extremely humble and self-effacing person, he shone through his innate brilliance. Incidentally, in his time he had also held the position of the EO—I have always felt honoured to have followed him in that position. He had handled almost all the key senior portfolios in the UP administration in his time. Besides, he had also done a stint as Chief Secretary of UP, one of the most difficult states to manage. His last posting in the Government of India was as Secretary of the Ministry of Water Resources. While mentioning his attributes, in order to describe the situation as it existed, it must be stated that some of his peers treated him as an object of derision. Despite his undeniable outstanding calibre, Mata Prasad made no attempt to hide his roots. This was a matter of supercilious amusement for some.

In the normal course he was to retire at the end of March 1998; the previous Cabinet Secretary was due to end his extended tenure three months before that date. Mata Prasad would have been the seniormost Secretary to the Government of India at the end of the extended tenure of the previous Cabinet Secretary. The government initially took a decision to appoint Mata Prasad as the successor Cabinet Secretary. Before orders could issue, the I.K. Gujral government lost its majority and elections were announced, reducing the government to a caretaker role. The dominant social forces used this sudden development for their ends. To forestall Mata Prasad's chances, the current Cabinet Secretary was given a second extension of three months. This would have meant that Mata Prasad would retire on the same day the Cabinet Secretary's second extension gave over. In the midst of all this manoeuvring, after the elections, a NDA government assumed office. Any government sensitive to the social scene in India would have grabbed the opportunity to appoint Mata Prasad. A country going through a social transformation needs to celebrate landmark events from time to time to record the high points of history. Mata Prasad's appointment would have taken place in the normal course, and yet would have demonstrated the country's commitment to egalitarianism. But, the powers-that-be managed to ensure that this did not happen. To avoid the ignominy of superseding him, the government had devised the subterfuge of a three-month second extension to the current Cabinet Secretary. Some social activists challenged the second extension given to the existing Cabinet Secretary. The Central Administrative Tribunal set aside the order of extension. The government went in appeal to the High Court, where the CAT order was stayed. Recalling this chain of events, I cannot but express disappointment that their Lordships failed to see the manipulation in this real-life social drama, and could not devise a mechanism to ensure that justice was delivered, and social prejudice was thwarted.

The new NDA government by then sensed that the issue was likely to blow up politically unless some move was made to defuse it. Brajesh Mishra, the Principal Secretary to the NDA Prime Minister—who was in the thick of these moves—called Mata Prasad and offered to appoint him as a Member of the UPSC. This position had a six-year term, and given the relative ages of the other members, Mata Prasad was certain to become the Chairman one day. The offer could not be ignored out-of-hand. Mata Prasad had taken too much of a battering in his life; he did not have the stamina left for an extended skirmish. The post of Cabinet Secretary, no matter how high the honour, would at the

most have a tenure of two years. Throughout his career Mata Prasad had not only supported his own family, but his extended family, and all such responsibilities had not been fully discharged. His well-wishers recognized that it was too much to expect Mata Prasad to fight any more on this issue, for what was, in pith, a social cause. From his phlegmatic remarks and body language it was clear that Mata Prasad was inclined to take up the offer. His well-wishers encouraged him to do so. Mata Prasad indicated his acceptance to the UPSC offer, and the High Court case was allowed to lapse.

At the end of the day, it was clear that social prejudice prevailed. The tactics adopted by the government were dishonourable, to say the least. They could hardly assert that Mata Prasad was unfit to be the Cabinet Secretary, but fit to be a Member of the UPSC. Such foul tackles against the disadvantaged sections may succeed for a few more years, but eventually representatives of this section of society will break through the glass ceiling; and it may well happen that they will break through using tactics similar to those adopted in the past against Mata Prasad.

While writing this memoir I met with Mata Prasad to check the sequence of events of the period, which was somewhat hazy in my mind. In all honesty I must disclose that Mata Prasad advised me against including this incident in the memoirs but, generous as he always is, he left the final call to me. I decided to include it as it typifies our hypocritical social environment in which we allow such incidents to occur in our society, but arrange to have them swept under the carpet in order to maintain formal societal decorum.

POST-RETIREMENT DALLIANCE

In an earlier part of this memoir some mention has been made of the skewed personnel policy of the higher civil services. Positions in certain areas of governance—commerce, industry, petroleum, power, certain areas of finance—are monopolized by a favoured set of officials. These officials tamely carry out the instructions of the economic tsars; there is almost no rigorous analysis of issues within the government. It is axiomatically assumed that all such initiatives are in broad public interest. Officials in these areas are those which come in frequent contact with the captains of the private corporate sector. Winning the approval and appreciation of these corporate captains, is considered the ultimate achievement. For some years now, the officials from this cabal are increasingly also found to be suitable for post-retirement sinecures in the private conglomerates. The conflict of interest, when officials aspire for such post-retirement assignments, is self-evident. One leading corporate house of Mumbai has cultivated the reputation of very faithfully providing post-retirement financial recompense to those senior officials who looked after them while in government. This has created a favourable reputation for this corporate house in the market as reliable paymasters for favours earlier rendered.

It is not as though the retirees do not have the expertise to contribute value to private sector functioning. However, it is seldom that such inherent skills of the retirees are used. Instead, they are used for charting out a plan of action and for executing it, to ease the passage of the corporate proposals through the governmental jungle. Their contacts are useful to plan the route to be adopted, identify the weak links in the line-of-command, and negotiate the financial terms on which the deal can be struck with these links.

Of late we have moved on and adopted from the Western countries the obnoxious practice of using corporate lobbyists, euphemistically known as PR firms. It is impossible to conceive of a lobbyist contributing a lawful or ethical value addition to a case of a corporate entity under consideration of the government. The lobbyist does not even attempt to project the inherent strengths of the proposal of the corporate. Through a mix of trade-offs and pay-offs between different individuals and institutions, the lobbyist arranges to convince the decision-making authority that the corporate proposal is worth accepting. The corporates use these lobbyists to manipulate policies and bribe the system to capture community-owned natural resources. The inherent strength of the proposal is irrelevant. The work of the lobbyist is carried out in the stratosphere inhabited by a select group of political executives, bureaucratic executives and the community of fixers.

It is not as though all lobbying is unacceptable in a democratic polity. Policymaking in a democracy is to a great extent the push-and-pull of different legitimate interest groups. However, lobbying for public causes should not be carried out as a stand-alone business activity undertaken for obscene amounts of money. Also, the efforts to bring about a policy change cannot be driven by huge payments, which are in the nature of bribes, to subvert the larger public interest. In practical terms it would be necessary to ensure that a legal entity in the field of lobbying is not a 'for-profit' entity. All aspects considered, today's lobbyist is a suited-booted version of an old-time tout. Of the innumerable corporate pathogens that we acquire from the first world countries, the newest one of lobbyists is the most dangerous. We now find the elite of the bureaucracy flashing their credentials as lobbyists—seeing the retired Finance Secretary of the Union of India as an upfront lobbyist, his gun ready for hire, is a humiliating sight for all civil servants, current or past. No stigma can be more damaging to the credibility of the decision-making process in the country than the unabashed presence of retired senior civil servants in these lobbyist firms.

Orphaned Economic Laws

THESE WERE NO INNOCENT BABES

For a long period before the Foreign Exchange Regulation Act (FERA) was repealed and replaced by the Foreign Exchange Management Act (FEMA) in the year 1999, we witnessed an orchestrated campaign asserting that the existing statute served no purpose, and that it was merely an instrument for illegally exploiting the corporate sector. After three years in the hot seat as Director of Enforcement (1992–95), I am of the considered view that this assertion is a huge exaggeration. There is no denying that corruption through extortion did exist at some levels. However, the impression given, that high-profile corporates were routinely and falsely targeted, is sheer fiction. The targets of the Enforcement Directorate were not some innocent babes. As I recall it, during my tenure there were at least one or two pending investigations, at any given time, against a corporate house of standing—in fact, the existence of the FERA cases could well be treated as an incontestable indicator of high standing in the corporate world! Out of the hundred top corporate houses, the ones that had no case against them under FERA could be counted on the fingers of my two hands. Most of the corporate houses, and their principal promoters, had several cases under investigation at any point of time. However, it is true that not all the cases were substantially strong—some had only a little evidence to support them—they were based on snippets of incriminating information. Despite this, it can honestly be asserted that each one of these corporate houses had against them at least a couple of cases that were substantial and could be pursued to a logical conclusion.

While no one would deny that corruption undoubtedly prevailed on some scale in the Enforcement Directorate, it would still be my considered assessment that over the three-decade period that FERA, 1973, was in existence, the law did serve as an effective deterrent against clandestine foreign exchange transactions. The economy at that time was not robust enough to survive violent shocks, resulting from external factors in the foreign exchange position. The corporates like to pose as harassed and helpless victims of the enforcement staff; on the other hand, I was always worried at the ease with which these corporates succeeded in subverting our operators with paltry inducements. They enjoyed more or less open access to key political personalities. Also, we, as the law enforcers, faced many other handicaps. In the judicial forums we were generally outclassed by the heavy guns that the corporates were able to afford as their legal counsels. What the corporates paid for their defence was really mind-boggling. In a heavy bail matter our opponents may be represented by, say, G. Ramaswamy, former-Attorney General or Kapil Sibal, then a leading senior advocate in the Supreme Court. Their fees for a fifteen-minute appearance could in those days be one lakh rupees. The Directorate, on the other hand, would be represented by a government counsel, who got a modest two-digit fee for the same case.

I recall one occasion when I was particularly riled that we had failed to win our point even when

the circumstances were very much in our favour. I was angrily quizzing the enforcement officer who had come to report the bad tidings to me. ‘We are not heard—the court brushes us aside.’ The enforcement officer was apologetic: ‘Sir, the court shows much deference to Ramaswamy.’ I was not willing to accept this: ‘But what did our counsel say—did he say anything at all in court?’ The enforcement officer reluctantly answered: ‘He did not get much of a chance—he stutters; the court did not allow him time!’ That remark silenced me—after doggedly making our way through the governmental system, we finally came up against a sheer wall, a counsel who could not argue because of a speech impediment! I hold no brief for the enforcement officials who indulged in corruption, but it would be clear to any objective observer of the scene, that the extra-legal advantage wielded by the corporates was much in excess of what our ragged enforcement team could muster.

Much of the Securities Scam of the early nineties was linked with massive violations of FERA. The larger portion of the enormous amount funnelled out from the stock exchange and the public sector banks went out of the country through *hawala*. In the game of circulation of illicit funds, when the music stopped—with the payment defaults of Harshad Mehta and the other intrepid samurai at the stock market—the public sector banks and some public sector undertakings were left with a huge void in their net worth.

SCAM REDUX

As I write this section, I realize with astonishment that the audacity of the business houses in defending themselves for their role in financial scams is even more brazen today than a decade-and-a-half ago. Very recently, the disclosure of the Niira Radia tapes has exposed the rotting underbelly of the business sector. One would expect, that under the circumstances the business houses would go underground and disappear from sight for some time. Instead of that, what we see is an astonishing turnaround of their position. Using their immense clout with the media houses, these houses have transformed themselves from the position of the ‘accused’ to that of the ‘wronged party.’ By an astonishing somersault of logic, they have launched a campaign that the disclosure of the tapes—some parts of which are not directly related to the investigation for which permission to place the telephone connection under surveillance was obtained—amounts to an invasion of their privacy. It is of little significance to them that the recordings are the outcome of a legal tapping operation by a fiscal law enforcement agency. What has come out of this incident is mixed evidence of organized manipulation of governance and the political process, as also some salacious trivia. Some of the information on the tapes constitutes evidence in respect of serious criminal violations, and much of the other information relates to gross impropriety and manipulation of governmental processes. Instead of defending themselves on these substantive issues, or in the alternative keeping absolutely silent, these business houses have positioned themselves as grievously wronged parties. The assertion made is that the loss of face to the business houses much exceeds any loss to public interest as revealed in the recorded conversations. In their response to the disclosures, there is not a tinge of introspection, or a commitment to desist from such activities in the future. They have been embarrassed by the disclosures, and now the attempt is to ensure that the powers to place telecom connections under surveillance are so amended that such public embarrassment does not recur. The message is that the

law must be the one found comfortable by the business class, and not necessarily that which the State considers appropriate in larger public interest.

CONTEMPT OF LAW

It would be interesting to recall the ambience of governance prevailing in the early nineties. In the decades leading up to the nineties, we had managed to create a huge mess of economic laws and regulations. The original objectives had been lost sight of, and the maze of provisions was often excessive, and sometimes even conflicting. The prevailing situation was an open invitation to low-end corruption. The transaction costs and the subjective and arbitrary application of laws became an impediment to lawful productive activity.

In the early days of reforms, the government wanted to ease the transactional impediments—but the disentangling of the regulatory strands required patience and insight. Some of the regulations needed to be modified, but instead, the leaders of the liberalization process adopted the option of encouraging the corporate sector to disregard regulatory provisions. An unspoken message went out to the law-enforcers that they should not come in the way of trade and business. The enforcement of the economic laws would certainly have slowed down the corporates, but that would not have been to the detriment of public interest.

I recall that in the early reform years the impression commonly given out by these economic ‘tsars’ was that full capital account convertibility was only a few months away. One day, when I was in Mumbai in connection with the Securities Scam investigation in the 1993–94 period. I happened to glance through a copy of the evening paper called, curiously enough, *Midday*. In a prominent box item I read the news that C. Rangarajan, the then Governor of the RBI, in an address to the Ladies Jaycees, had said that with the encouraging trend of events being witnessed, they could expect full capital account convertibility any time now. I do not know how impressed the ladies were with that revelation, but I am relieved that such a rash act has not been resorted to even fifteen years later. In any case, it appeared incredible to me that the RBI Governor had chosen to convey this message of import to the nation through the Ladies’ Jaycees in Mumbai! It is now widely accepted that India weathered the Asian currency crisis of 1997, and the global economic crisis of year 2008 mainly because of the protection it had through the regulations controlling imprudent capital account transactions. Fortunately, our fundamentalist liberalizers did not withdraw the foreign exchange controls on capital account transactions then, and indeed have not withdrawn them entirely even today. However, a dim view was always taken of any efforts to conscientiously enforce economic laws—and the civil servants who were street-smart never found it worth their while to mess around in such an activity.

In the late eighties, before the securities scam, an impression had been created by the tsars of the Indian economy that the dated economic laws of the country had lost their purpose, and were only strangulating private entrepreneurship. In government discourse the economic laws were treated with contempt. While the tsars did not have the patience and expertise to revise or repeal the laws, depending on how much they were required in the prevailing circumstances, they adopted the arrogant approach of treating the laws and the responsibility of law enforcement, as useless and counter-

productive. In that ambient atmosphere, all the institutions and individuals associated with economic laws—including RBI, commercial banks, economic law enforcers, exporters, businessmen and tax payers—came to adopt just any operational method, regardless of the law, in the blind belief that this was ramping up growth. The impression given was that the existence of economic laws was harming public interest. One almost felt ashamed for being an economic law enforcer. This contempt for the rule of law reached its nadir when a high-profile social crusader—Arun Shourie—publicly congratulated the House of Reliance (the undivided one), for their achievements in the corporate field in disregard of the obstructive economic laws. The period in the late eighties was a time when people thought it was smart to bad-mouth and violate the law. After sowing this type of arrogant entrepreneurship, we got to reap the poisoned harvest in the form of the Securities Scam. In some areas, the business community, or the custodians of economic laws, may have had a strong case for changing the law to put it in sync with the prevailing economic situation. That called for an amendment of the law—the process of amendment gives the government an opportunity to take a balanced view of what needs to be retained and what needs to be trashed. The prevailing practice of the government, to treat all economic laws with suspicion or contempt, hugely devalues the general respect for rule of law in the country. Even while promoting a neoliberal economic policy, any government worth its salt should be enforcing the rule of law strictly, while encouraging innovative entrepreneurship within the available bandwidth in the law.

Enforcement officers had unfortunately acquired an odious reputation for making false cases. It is possible that particular cases against some corporates were fabricated, or embellished, to extract illegal gratification. However, most corporate houses of any significance had several cases registered in the Directorate. Wilful violation of the foreign exchange regulations was rampant. While the evidence in some cases may have been weak, there were always some others that could have been pursued to a successful conclusion, if it were not for the inexplicable reluctance on the part of the investigators to move ahead. Arun Shourie's outburst, congratulating the House of Reliance for bypassing laws in order to achieve growth is, indeed, saddening evidence of terminal despair.

It would be appropriate for me to mention here my perception of the attitude of the corporate sector in conducting their business during that period. A free market is supposed to unleash the 'animal spirits' of entrepreneurs. One would expect them to approach their business with courage and derring-do. However, what one sees in practice is the opposite. At the slightest change in the economic weather, these business associations scurry to the government whingeing for State intervention. A minor hardening of the rupee would send exporters scurrying to the RBI for softening of the interest regime. As against the robust independence expected of free-market entrepreneurs, our corporates were always running to be molycoddled by the State. In the face of this, one was left wondering whether this was what we had bargained for from the free market at the start of our journey towards liberalization.

In the 1990s it became difficult to motivate our enforcement teams to believe that it was our professional duty to enforce the foreign exchange regulations. If the law enforcers turned a blind eye to corporate infringements, or ignored them for a reasonable consideration negotiated in a friendly manner, they were likely to win a benign nod from the lords of liberalization. The message going

around was that the laws should be minimally enforced. The economic laws had been orphaned; the law enforcement agencies were barely suffered, and were never held accountable for not performing their mandatory duties. The economic laws remained in existence, but it was virtuous for the corporate sector to openly work around them. This led to an increasing impression that only the dull-wits submitted to the law. The entrepreneurial stars ignored them and created personal wealth, and in a large measure, that is how India recorded growth in the early nineties. The ambient atmosphere was one of unlimited entrepreneurial permissiveness.

But, eventually there is a day of reckoning for this kind of reckless permissiveness and that day seems to have arrived. Almost all institutions, and the custodians of these institutions, are seen to be wantonly violating the law without the slightest embarrassment or fear. The recent incidents of national shame—the 2-G Scam, the S-Band Scam, the CWG Scam, the indictment of senior bureaucrats and military officers in the Adarsh housing fraud—are not merely criminal offences, they also clearly indicate that all norms of rule of law and public accountability, have been abandoned in the public space. Such a societal disaster always starts as an innocuous sharp practice introduced by a few street-smart individuals; after a while, others who were not as adventurous, begin to accept such practices admiringly as innovative initiatives. And, over a couple of decades of such a decline, a situation is reached, where for all practical purposes, the foundational understanding on which inter-personal relations in society are grounded, just vanish. In the situation that we are in today, it is difficult to ignore the grim reality that there is no law-enforcer, there is no law, and, therefore, by extrapolation, there is also no lawbreaker.

EXPORT EARNINGS: ROUND-TRIPPING

In the early nineties, the country had faced an acute foreign exchange crisis. Certain steps were taken to open up the economy, and many of these were useful. The period saw a pressing need to boost export earnings. As a result of the initiatives, the period did see a marked increase in export remittances. However, it is interesting to examine in detail how this came about. As an incentive, the Finance Ministry exempted export earnings from direct taxes. Over decades of private sector operations during high tax regimes, many entrepreneurs had accumulated huge reserves of black money in the domestic parallel economy. They were using this in the domestic economic system. It was well known that much of the working capital in the small and medium-sized industrial and commercial units came from such pools of black money. However, despite the fact that the black money generated could be used in the country, the versatility of use was not as much as they desired. For making new starts in business and industry, a significant amount of white money is also required—after all, manufacturing equipment and other fixed assets cannot be acquired without making some over-the-table payment. India's business class was feeling constrained on account of insufficient white assets. The government's scheme for boosting exports came in very handy in solving their problem. All export earnings were welcome and were even eligible for direct tax exemption. The entrepreneurs with large black money holdings sent out their funds to foreign locations through the *hawala* channel. There they parked these funds in clandestine accounts. Then, they set up export businesses and learnt the magic of running them at huge profits. For doing this, some of the more

daring players even won national export awards.

These entrepreneurs hugely over-invoiced their exports, sometimes to three or four times the prevailing market price. A large part of the ostensible export earnings were sourced not from the buyer of the export products but from the clandestine account maintained by the exporter. The process of ‘round tripping’ provided a painless and riskless route for money laundering. This was particularly easy to do in the case of software for IT services. Such a product is normally custom-made and there is no free market price for each of these products. Tax authorities have practically no way of detecting the over-invoicing. In any case, it is very awkward for a tax official to cavil with a higher export price, unless there is some direct evidence to show that some part of the export earnings come through illegal conversion of rupees into foreign exchange through hawala. In those days, the economic tsars had disowned the economic laws, and no enforcer of economic laws would dream of examining why such extraordinary prices were being obtained for our products. The economic tsars were particularly elated by these spectacular outcomes of their export policy. The booming aggregate export earnings were celebrated as a success of the globalization–liberalization policy. It was conveniently ignored that in the heart of this phenomenon was a primed bomb—the black money under the surface of the white economy. A large component of black economy, in the final analysis, mulcts the white economy. The policy steering the economy comes to be increasingly determined by the interests of the black money operators, in replacement of the government’s role.

The abnormal surge in foreign exchange earnings was picked up by the Directorate of Enforcement quite early. It was noticed by our boys that during this period there was a large difference between the official exchange rate for foreign currency and the hawala rate. This would only occur when there was a large demand for conversion of rupees into foreign exchange through hawala, much in excess of reverse clandestine transactions. Further investigations showed that export transactions, even for common products were fetching handsome prices. With these two types of evidence available it did not require very high deductive skills to trace the cause of this abnormality. In that period, the Directorate carried out a crude, ‘back-of-the-envelope’ calculation of the estimated over-invoiced trade transactions in the period. The very conservative estimate of the quantum of money laundering was one billion US dollars in a year—not a small amount in a period when the overall export trade was of the order of 20 billion US dollars.

Full trade convertibility was introduced in March 1993. One would normally expect a drop in the number of FERA violations immediately, and then continuously after that. The observed trend was to the contrary—in the six months after March, 1993 the violations detected by the Directorate were some 60 per cent more than in the same six months of the previous year. This is again strong evidence that some illegal market catalyst was boosting such transactions.

PROTECTION TO OFFICE-HOLDERS

While highlighting all the above shortcomings, to maintain objectivity, it also has to be admitted that the economic law-enforcers have a poor professional image amongst the community in general. The degree of public faith in the objectivity of enforcement and investigating agencies is extremely low. Quite often the higher judiciary has despaired at this situation. Public commentators have also, from

time to time, railed at the political interference in the functioning of these agencies. There is certainly no doubt that evidence of pliability and subservience to illegitimate pressures from the political and bureaucratic executive is abundant.

In the court proceedings in connection with the Jain Hawala Cases, Justice J.S. Verma of the Supreme Court had passed an order setting out a procedure for ensuring objectivity and transparency in the selection of the heads of these agencies, and for guaranteeing a minimum tenure. It was felt that this would shield the incumbents of these offices from day-to-day blackmail by the political and bureaucratic executive. This has been in force for around a decade-and-a-half now. How effective has this proved to be?

I would now venture to make a personal assessment of the effectiveness of the new appointment procedures, as shown by the performance of the succeeding incumbents. It has to be recognized that such an assessment can never, by its very nature, be done with an objective yardstick. With my experience in this sector, I would assess that the selections under the new procedure have been a mix of the good and the bad—much as in the past. Some of the dodgy appointees have been so quick-footed that they were acceptable to even politically opposite formations. Needless to say, a chief of an agency, who can please all political formations, regardless of the law, is not much use in furthering public interest. Since mine is a subjective assessment, I must accept that the opinion of some other observer may be different. However, I believe that most informed people would conclude that the objectivity and fidelity to the rule of law on the part of the appointees has not particularly improved after the introduction of the new selection process.

Another aspect that must be recognized is that, amongst the high-flyers in the civil services, there is never any ceiling to their ambitions. Appointees to the enforcement and intelligence agencies, even when secure in their assignments, nurse hopes for post-retirement sinecures in constitutional positions. It is a widely held perception that several of the Chiefs of the IB have been unhealthily close to the leading personalities of the ruling parties in their time. It is impossible to believe that they could still maintain neutrality and objectivity in the discharge of their duties, which principally requires the making of balanced assessments of sensitive political and social situations. Currently, two former Chiefs of the IB are Governors. So, no matter what protection one gives the appointees under a statute or judicial order, the objectivity will depend on the mettle of the appointee. The procedural changes for selection and tenure have not brought about much improvement in the integrity factor of the performance of the heads of the agencies.

Another worrying feature is that an unusual number of Chiefs of the IB have come to occupy post-retirement sinecures in the last two decades. Some of these Chiefs have retired as far back as twenty years ago; and yet, their links with a political party are so strong that, when that party returns to power, these former Chiefs are disinterred, dusted off and propped back in important constitutional positions, vested with large discretionary powers. Such appointments are plainly questionable. As legend has it, intelligence agents are not cut out for performing under the arc lights. When master spy Smiley finally retired, he did not get himself appointed as the Governor of Northern Ireland—he just faded away! His creator—novelist John le Carré—speculated that he must be keeping bees and living somewhere, unrecognized! That the highest statutory and constitutional appointees perform their

duties with one eye on a future assignment is a frightening thought. However, the hard truth is that there can be no statutory or institutional remedy for this—if the appointee has the mettle, he will never compromise his position for any ambitions that he may hold for the future.

Currently, much of the IB's time is spent in monitoring interparty and intra-party politicking. For several decades now, the IB has been serving as the unofficial pre-poll survey agency for the government in power. It is a different matter that, in their anxiety to please their masters, they trim their assessments to the hopes of their masters. The IB's assessments have been so completely wrong so often, that now, even their masters have no use for them. That is the inevitable nadir for an agency that has abandoned its professional role in exchange for political proximity.

From the above discussion it would seem that it is inherently very difficult to create and sustain effective enforcement/intelligence agencies. In the ultimate analysis, it is the moral fibre of the principal functionaries that will determine the stature and effectiveness of the agency. When the principal functionaries can be so easily seduced with money or position, no statutory protection can improve matters.

In the backdrop of frequent political interference in the conduct of investigations, it has often been suggested that these investigative agencies should be made completely independent, free of control of the executive and the legislature. I feel this is a counsel of despair. Absolute power to an agency may in many cases result in absolute abuse. In the last two decades in which I have been following developments in the CBI and Enforcement Directorate, I can think of many chiefs who, in my judgment, would have been suitable subjects of investigation in respect of their personal conduct. If these individuals were left absolutely unchecked for fixed tenures without accountability to the executive or parliament, they may have morphed into Frankenstein monsters and destroyed the very institution they headed. It is of course true that the executive has interfered at different points of time in the working of the institutions to the detriment of the agencies. However, the legal framework for an agency has to take into account the reality that all types of incumbents, with widely varying character, integrity, aptitude and public spirit, are likely to be appointed over an extended period of, say, two decades. The system devised must have the checks and balances so that no loose cannon can go berserk. While the agency must enjoy independence in the discharge of their executive duties, they must be accountable to the judiciary and legislature in respect of the outcomes and the requirement for public probity. Some of the processes and practices of a democracy are tedious; they slow down the system and reduce efficiency. However, on balance over an extended period, they ensure that the system is not irreversibly damaged.

The economic law enforcement agencies in the country wield enormous powers—powers to arrest at the discretion of the law-enforcer; provisions that make it difficult to obtain bail; rules of jurisprudence that require that the accused prove himself innocent, rather than the conventional principle that the onus of proof rest on the prosecution and so on. These carry with them the risk of abuse. It would be entirely inconsistent with the fundamental basis of rule of law if such wide-ranging powers are entrusted to a particular agency without any executive or parliamentary oversight. In our stumbling governmental system, different authorities and different systems malfunction from time to time. In this situation, there is a need for inter-institutional checks and balances. The Constitution, for

good reason, only confers absolute authority to two constitutional arms for discharging their functions within the domain assigned—the judiciary and the parliament. The system of checks and balances in the democratic framework has functioned at least with some degree of success. In our despair, on account of misdemeanours on the part of certain executive authorities, we should not opt for absolute independence of institutions, for in that lies the grave risk of absolute abuse of power.

THE FERA VOODOO

The economic reforms were initiated in the early nineties and are an ongoing process even today. I had an opportunity to observe the economic scene closely as the Director of Enforcement, and later as Revenue Secretary*. In the periods I spent in the universe of economic administration, we were always told we were reforming, but no one had a clue about the macro-plan or the reason. As far as the foreign exchange regulations went, it was clear that the tsars of the economy wanted this law to be made toothless. They would have actually preferred to repeal it totally, but for the fact that they did not wish to risk an adverse public backlash. It was obvious to any objective observer that some of the more harsh provisions of FERA, 1973 needed to be redrafted. However, the statute needed to be so amended that the government could, if an emergency contingency arose, reintroduce the stricter provisions, at short notice through a notification. Instead, what they did was to completely dilute the provisions so that today they are less effective than the statutory provisions in regard to enforcement of direct tax laws.

For income tax investigations, the funds, the suspects and the evidence against the suspects are all located in India, and so the law-enforcer has some chance of cracking the case. In foreign exchange violations, at least many of the suspects and much of the funds and the records involved, are outside the country and therefore outside the immediate reach of the law-enforcer. Foreign exchange violations are potentially much more dangerous for the stability and security of the country, than plain-vanilla direct tax evasion. Moreover, in the newly enacted laws, an invidious distinction has been made between the provisions in the prevention of money laundering act and those in foreign exchange regulations. The funds are from the same parallel economy and can either be used for illicit domestic business or for money laundering to finance more heinous crime that is externally driven. Funds can switch from one end-use to another without notice. Hence an enforcement old-timer would argue that the stringent provisions in the Prevention of Money Laundering Act (PMLA) should also be extended to foreign exchange violations under FEMA. While the requirements of legal powers for different types of crime may be a matter of debate, the need for consultation with the concerned agencies when deciding on that issue, is something that should be accepted by all. Yet, neither in my three years in the Directorate of Enforcement, nor in my one year as Secretary to the Revenue Department, was any reference made to the Enforcement Directorate to seek their views on the new legislation. In fact, I understand that the views of the Enforcement Directorate were never sought. Perhaps, the Ministry of Finance thought that the new legislation would face opposition from the Enforcement Directorate. But, was it beyond the intellectual capacity of the Finance Ministry to enter into a dialogue with the Enforcement Directorate, and thereafter arrive at the design of the new legislation as they considered fit? I have at an earlier stage mentioned that several so-called reform

measures were introduced without the necessary consultations and discussions, through a process that can only be called stealthy. The enactment of FEMA would certainly be an apt example of this category of legislation.

LAW WITHOUT TEETH OR DENTURES

Under FEMA, the infractions are now treated as even less serious than ordinary tax evasion. Under the new law, the violations are of a civil nature and are non-cognizable offences. The suspect can be requested to join the investigation under the same provisions as available for income tax investigations, but if he ignores the request, the Directorate has to approach the court for a summons. Ultimately, if the suspect responds to the summons there is no possibility of taking him on remand as the offences are bailable. Thus, there is no possibility of a custodial interrogation. The powers that existed under the earlier FERA—power to take cognizance of offences; power to summon and examine persons; power to call for information/documents; power to arrest; power to search suspected persons/seize documents; power to search premises/conveyances; reversal of the normal burden of proof under jurisprudence, that is, presumption of *mens rea* on the part of the accused; etc.—have been diluted in FEMA. Despite all these handicaps in investigations, if substantial evidence is obtained in a case, the person arraigned can get the offence compounded for a penalty that is not very heavy. Truly, FEMA is an impotent law—without either teeth or dentures. My erstwhile colleagues in the Directorate joke that now if they want to investigate a case, they have to invite the suspect for a cup of tea—tongue-in-cheek, they then put forward a claim for an official sumptuary allowance!

The absurdity of the situation that has been created was recently highlighted in the case of Hasan Ali Khan, the big-time hawala dealer from Pune. The case has deep ramifications—links with arms-running and ownership of the *benami* assets by prominent political personalities. And yet, all that the Income Tax Department has been able to do so far is to issue a demand notice to Hasan Ali Khan for around 72,000 crore rupees, an amount that would constitute a significant percentage of our country's annual budget! If this order is to be enforced, most of the amount would eventually have to be written off for want of financial resources with Hasan Ali. Also, the big players in the scam, the actual owners of the assets, would go unnamed and untouched. A case has also been registered under FEMA, but had come to a dead end for want of adequate investigative powers, as also reluctance on the part of the law-enforcers to use the available powers. A recent intervention of the Supreme Court has revived the investigation somewhat.

The ambient atmosphere in an enforcement agency is never, what one would call, 'aseptic'. Professional links have to be maintained with shady informers. Quality information can never be expected from cultivated and honourable individuals. Sources of information are the scum of the earth, but a hotline has to be maintained with them. In fact, the best operators have a symbiotic relationship with their informers, turning a blind eye to the relatively minor misdemeanours of the informer in exchange for valuable information. The line dividing a legitimate relationship from an illegitimate relationship between an operator and his informer is an extremely fine one. Only the supervisory officer can judge when the indulgence of the operator is a legitimate incentive, and where

the relationship amounts to collusion in crime. There is certainly a risk involved in this strategy. We now know that the principal planner behind the 26/11 terrorist attack on Mumbai was David Headley, a double agent, working for both the Lashkar-e-Taiba (LeT) and the US Drug Enforcement Agency. When he became a rogue agent he went completely out of the control of his handlers, and Mumbai was the victim of this intelligence lapse.

TERRORISM THROUGH HAWALA?

Though hawala is thriving in our economy, it should not be made the scapegoat for all the ills of the country. The nature of the nexus between terrorism and hawala is often misconstrued. Every time there is a terrorist attack, the intelligence agency diverts attention by asserting that hawala money is the principal cause of it. The situation needs to be seen in perspective. The ballpark figure for average daily foreign hawala transactions in Mumbai city was 80 crore rupees in 1993–94, when I was Director of Enforcement. On certain days the figure would be much more. The average hawala transactions today can only be much higher, perhaps ten times as much, or even higher. This is not unexpected, looking to the growth of our economy (legal plus black) in the nearly two-decade intervening period. The ruling hawala premium is 10–12 per cent, which is good evidence that the hawala market is thriving. Hawala—domestic or foreign—will continue as long as the parallel economy exists in the country. The funds required for most terrorist operations are seen to be small by any standard. The Bombay blasts in 1992 were reported to have been financed with an amount of Rs 7.5 lakh. Even international terrorist attacks are known to have required very little money—the Bali bombings of 2002 are estimated to have cost around Rs 25 lakh and the planned attack on the London Underground System in 2005 was estimated to have cost about Rs 7 lakh. For the Ahmedabad and Delhi blasts, even more paltry amounts are being mentioned by the investigative sources. And, in the most recent 26/11 terrorist outrage in Mumbai, since the entire planning was from outside the country, recourse to hawala was, possibly, nil. It is impossible to keep track of such small transactions in the hawala trade to be able to intercept the plans of terrorists. If on one day there was a sudden single transaction of, say, Rs 100 crores linked to a terrorist plan, maybe there would be a little ripple in the hawala market. However, if there is a large player on that scale, he would normally be careful enough to carry out the transfer through several dealers over several days. In other words, the size of individual transactions made for purposes of terrorism, would be so small that they would not be a blip on the radar of the hawala market.

The complete drying up of Human Intelligence, or humint as it is called, is most evident in the investigation of cases of terrorism. In each of the bomb blast cases, the police response is to promptly pick up six or seven supposed conspirators to deflect immediate public criticism. The arrests are often made on the basis of some very crude community profiling. With a frequency of at least twice a week, new masterminds of different conspiracies are announced, making the investigation look like a Punch and Judy show. For the Jaipur, Hyderabad and Samjhauta Express incidents, any number of conspirators were discovered and linked. And now, an army officer and a *sadhvi* are being mentioned as key players in the Malegaon blasts. All these fantastic stories, irresponsibly leaked to the media, are converting the serious business of investigation of terrorist crime into a comedy show.

In these investigations, the police seem to be clueless. With increasing public pressure to show results, and with quality humint almost completely dried up, the investigators have been reduced to spinning out fairy tales. Vague intelligence alerts are disseminated. There does not seem to be any evidence of the State intelligence apparatus having followed any lead to a significant end. When intelligence reports are non-specific, it is only the humint which gives an indication of which leads deserve priority in follow-up. To access useful humint, the agency has to penetrate the very sections of society that are disaffected, and are likely to be the epicentre of a rebellion against State authority. Unfortunately, the agencies have turned inwards and have come to seal themselves off from the very disaffected elements that are likely to generate a revolt against the State. By adopting this stance, far from securing the integrity of the State, the agencies deny themselves a partnership with the best allies in the task of quality intelligence gathering. The absence of quality humint seems to be rendering all other efforts futile.

When discussing terrorism, the need for coordination between different intelligence and investigating agencies is always mentioned. While the conceptual advantages are obvious, there are real practical difficulties. Intelligence/investigating agencies, by their nature of work, are tightly closed and hunt in packs. Every agency with a good lead would like to score a success before the evidence is passed on to a sister agency. Also, it is an unfortunate fact that all agencies are not maintaining the same standard of professionalism. Some of the agencies are extremely porous, and passing on information to them would only mean wasting the information. However, there is an urgent need to devise an information-sharing system, where information of graded sensitivity is shared with other agencies on the condition that it is retained confidentially up to a particular level in the hierarchy. As things stand, the different agencies are stumbling around independently—all blind men, all averse to linking arms.

The Securities Scam

The Securities Scam was a massive collapse of the financial regulatory system. This was the strongest tremblor to have hit the financial system in the country's history. The scam was aided and abetted by gross and wilful negligence in the discharge of supervisory functions by the star mandarins of the Ministry of Finance and the RBI. Securities of various types were criminally diverted to generate funds to speculate in the stock market. The illicit gains from such transactions were either recycled into the stock market, or clandestinely transferred abroad through hawala. Some of the illicit foreign assets so accumulated abroad were in turn recycled into the country as remittances under the Immunity and Exemption Act, 1991, more commonly known as the Immunity Scheme. At the end of it the players in the scam were richer, both by way of illegal domestic funds and illicit foreign assets. In the early days after the exposure, there was much public outrage and demand for exemplary deterrent action. However, after that initial period of attention, the media tired of it, the general public gave up in despair, and the investigation of the criminal offences under different laws petered out. Out of the criminal cases filed by the CBI, only three have been finally decided, ending in a conviction. In the matters before the Directorate of Enforcement, criminal cases were filed and none has been finally decided. All the accused are out on bail. Four of the stars of the securities scam—Harshad Mehta; K. Margabandhu, CMD of the UCO Bank; M.J. Pherwani, CMD, NHB; and B. Ratnakar, CMD, Canara Bank—have died natural deaths. This is the extent of progress in the criminal cases in a period of twenty years. In discharge of its responsibility of parliamentary scrutiny, the JPC submitted its report with 276 recommendations in December 1993. For many of these recommendations, particularly the more serious ones requiring recovery of losses, action is still pending. Till date, out of the total outstanding amount of Rs 11,323 crores, only Rs 292 crores has been recovered. From this it is clear that practically none of the criminals involved in the securities scam have been brought to book, nor has the financial loss been undone. One other aspect needs to be highlighted. The cases relating to the securities scam are principally based on documentary evidence. Unlike other types of crime, where eyewitnesses may turn hostile or die, weakening the prosecution's case, these can be called 'open-and-shut' cases. It would take very little time to conduct the trial in such cases. Despite all these favourable factors, if the cases are still making no progress, it must be because someone with the responsibility of pursuing the cases is holding them back.

The period immediately preceding the unravelling of the Securities Scam also highlighted how shallow the media is in assessing such developments. The media's reading of the situation was an astonishing display of lack of discernment and professional balance. In the month preceding the disclosure of the scam, the star of the TV screen was Harshad Mehta. The image of this 'fat cat' filled TV screens with his hyperbolic comments on the future of the Indian economy—'I am bullish about India'. And the TV anchors fawned over the banalities spewed by this semi-educated stock-broker

from Palanpur. A few weeks later, the same channels repeated a clip hour after hour, showing Harshad Mehta under arrest, being transported in a bullet-proof police van. The commentary in the second clip was as high-pitched as it was when Harshad Mehta was making his profound prophecies. Not one word was offered in explanation as to how the national icon of yesterday was now scurrying around in a wire-netted police van, like a trapped rat.

ACCOUNTABILITY

The Joint Parliamentary Committee (JPC) hearings on the securities scam began in mid-December 1992, two weeks after I took over in the Enforcement Directorate. At that stage, the investigations were in utter chaos. For one thing, the tsars of the economy were not particularly keen on having further skeletons disinterred. Also, as one can well imagine, the stock brokers in the line of fire were using all their money power and pre-invested goodwill to see that follow-up action in the Enforcement Directorate remained perfunctory.

In order to make a reasonable showing before the JPC, the first challenge was to rapidly internalize the basic facts relating to the cases that had been initiated. This was a Herculean task as these involved a mass of details. In the short time available, the basic facts that came to light showed that most of the transactions under investigation were indefensible. One could only give the Committee an assurance that the offences would be investigated earnestly, and the case would be taken to a conclusion.

Quite often, the handling of even an unholy mess provides a unique experience. In retrospect, it is now clear to me that to have witnessed those events was a once-in-a-lifetime experience. The position taken by the tsars in the course of the hearings revealed the mindset of the bureaucratic elite. The Finance Ministry team was led by K.P. Geetkrishnan, Finance Secretary and included the Secretary, Department of Economic Affairs, Montek Singh Ahluwalia. K Srinivasan, Chief Vigilance Officer of the Ministry of Finance and I completed the team as the extras.

The hearing began with a short opening statement by Geetkrishnan. It was a masterpiece of understatement—short, succinct, giving only facts that were already in the public domain, and remaining entirely silent on the question of constructive culpability for the magnitude of the fraud perpetrated. Geetkrishnan concluded by saying that the banks and the stock exchange, which were the institutions involved in the irregularities, came under the jurisdiction of the Department of Economic Affairs, and that his colleague Montek Singh Ahluwalia, Secretary, Department of Economic Affairs, would give the position of the Government of India in greater detail.

The Committee was, no doubt, a little taken aback by the brevity of the statement, but let it pass. It was brilliant strategy on the part of Geetkrishnan as he made a non-controversial and bland statement and yielded the floor to Montek Singh to face the flak. It also tickled Montek's ego to spearhead the defence for the government, as Montek is known to be happiest when holding forth before an audience. At the request of Geetkrishnan, the Chairman of the Committee gave the floor to Montek. He more than made up for Geetkrishnan's brevity.

Montek's performance was that of an excellent advocate with a very weak brief. In elegant language he went on the offensive. The episode had been an unfortunate 'systems failure'. The

methods used by the stock market operators were, unfortunately, not congruent with the outdated economic laws, but were consistent with common 'market practice'. Further, he argued that, looking to the pace of developments in the post-reforms economy, the top managers of the banks were required to put in place certain regulatory safeguards, which they had failed to do. Montek's spiel was in general terms like a lecture on high finance and banking, but as the harangue continued, some of the members of the Committee started showing their unease; this was not what they had been looking for in the evidence of the Secretary of the ministry.

As the preliminary statement ended, pointed questions began to home in from different sides of the room. The Chairman was well briefed on the basis of the information that had been obtained by the Lok Sabha Secretariat; he also seemed to be privy to certain information available to private players in the financial market. Some of the other members of the Committee also seemed to have done their homework diligently. To specific questions on identified violations of procedures and regulations, Montek had a 'hold all' answer: rules and procedures were so outdated that all transactions would have ground to a halt if rigid compliance had been insisted upon by the RBI—the economy would have imploded. The Committee was not altogether docile: the Chairman, though a cultured and soft-spoken man, was extremely incisive in commercial matters. Some of the other MPs also, particularly from the Left Front, did not see these machinations of the stockbrokers and their colluders as a benign attempt to keep things afloat in the financial system, in furtherance of public interest. In the face of the attacks, Montek steered his defence with the swashbuckling confidence of an autorickshaw driver in Chandni Chowk—swinging now to the left, then to the right, weaving and ducking his way through to avoid the missiles aimed at him by the Committee members.

But, the nature of the financial violations was brazen, and executed so obviously in furtherance of the private profit of certain select individuals that the defence arguments did not carry conviction. One interesting issue discussed at length in the Committee is worth recounting.

Equity shares in certain public sector undertakings had at one point of time been disinvested in favour of public sector banks. The sale was subject to the condition that the banks would only 'on-sell' the shares, after the company was listed in the stock exchange. It is almost impossible to estimate in advance the market value of shares of fully state-owned public sector undertakings—obviously public sector companies' shares have a lot of locked-up value which can only be estimated through secondary market transactions. The government wanted an arrangement under which the full market value of the disinvested shares went to a public sector entity. The condition of listing in the stock exchange prior to 'on-sale' was obviously to forestall any collusive deals between the banks and the down-the-line private purchasers. The conditions of disinvestment were openly flouted by many of the banks. Many banks did not bother to wait for the shares of the public sector undertakings to be listed in the stock exchange. Some of the purchasing banks had entered into previous 'back-to-back' sale agreements with private purchasers at a fixed price, much before they had acquired the shares from the disinvesting public sector undertakings. In other words, it is not as though these banks violated the condition after they had acquired the shares, out of compulsion on account of some *force majeure* circumstances. On the date the banks acquired the shares of the public sector undertakings, they already had pre-existing contracts for 'on-selling' in violation of the terms of sale of these

shares.

As ordinary human beings would understand it, the violation of the conditions was intentional and premeditated. A less courageous samurai than Montek would have conceded that there had been a deliberate violation of the disinvestment condition, and would have assured the Committee that responsibility would be fixed and action would be taken against the defaulters. But Montek is not an economist of the ordinary kind. Each time the Chairman tried to pin down his reply, Montek would come out with some circumlocutory argument to claim that the prior listing in the stock exchange was not a condition placed by the Cabinet when the Ministry of Finance put up the disinvestment proposal. This was a specious argument, contrived as an afterthought. The Ministry of Finance note had mentioned in passing that the banks would be entitled to trade the shares, though it is nowhere mentioned that this would be in relaxation of the condition placed by Department of Public Enterprises for prior listing in the stock exchange. Also, the Ministry of Finance had not sought explicit Cabinet approval to any such relaxation of the condition of prior listing. The Chairman's enormous patience was wearing thin with each passing minute. The simplest and most straightforward question fetched a circumlocutory reply. The Chairman was getting increasingly exasperated with these tactics. Finally, in despair the Chairman said: 'Mr Secretary you have been taking me round and round for too long now. We are already late for our tea break. One last time Mr Secretary, tell me in one word whether the 'on-sale' of shares by the banks before listing in the stock exchange, was in violation of the disinvestment conditions. Mr Secretary, I want your answer in a yes or no.' For once Montek did not have an instant response. He leaned back in the chair, thought for a few moments and then slowly said: 'Yes, Sir, but ...' The Chairman sprang at his words with uncharacteristic alacrity: 'Thank you, Mr Secretary, I have your answer, thank you ... and now we break for tea!'

We went into the tea break amidst a surcharged atmosphere. The members of the Committee milled around the tables, picking up their tea and nibbles. The bit players—Srinivasan and I—hung around the sidelines. The Chairman picked up his cup and seeing us standing alone, detached himself from the group of other members and came towards us: 'Are you not taking?' We assured him that we would help ourselves, and then just to create some conversation, I said: 'It's been a gruelling session, Sir.'

The Chairman smiled and muttered under his breath, '*Sardarji bahut bolte hain, bahut bolte hain ...*'

It was clear to us that, despite his exceptional forensic skills, Montek had screwed it up.

The overall impression that relative juniors like Srinivasan and I got from observing the Committee's proceedings was that the government considered it fit to brazenly defend the illegalities in the universe of securities and banks. There was not the slightest tinge of introspection or remorse—there was only an absolute confidence of talking one's way out of the crisis. The attitude was that if laws had been violated, the laws were wrong—because they understood economics, and therefore what they say should be the law!

It was in that period that Montek gave us Indians the mint-fresh expression—'systemic failure'. It became the ready alibi for any otherwise indefensible action in the decades that followed. The expression implied that the fault lay not with the civil servants, nor even with the Almighty, but at the

door of the formless conceptual entity, 'the system'. The smart phrase ignores the obvious, that the system is created by civil servants and operated by civil servants; and if it fails, the responsibility is squarely theirs. It is only in a freak situation that a set of circumstances arise that could never have been anticipated at the time of the creation of the system. And, it is only in that rare instance that the causes for failure of the 'system' provides some measure of extenuation for the lapse. Save for that, the expression is only a cover for mala fides or lack of due diligence in the discharge of one's functions.

In that stormy period spanning about two weeks of hearings of the JPC, Srinivasan and I frequently discussed how a responsible government would defend itself in the face of such a crisis. It would be naïve to expect that every time a government department was called to account by a parliamentary committee or by the Comptroller and Auditor General, they would immediately admit a mistake. The government's positions are often, at least partially, defensible; in many cases the circumstances surrounding a mistake, provided a mitigating circumstance. The government department under examination naturally makes the best defence possible, even in circumstances in which it was clear that a lapse had occurred. In fact, the standing tradition of the civil service is that the defence of a decision is most diligent when the decision under attack was that of a predecessor-in-office. However, it is also equally true that no defence should reach a stage when it could not be treated as bona fide. Both of us felt that the Securities Scam, because of the circumstances and magnitude, was one case which admitted no bona fide defence. The culpability of individual players would, of course, depend on the attendant circumstances. However, a full-blooded, frontal defence—that such mishaps can occur in advanced financial systems—could only be treated as bad faith. In any area of governance, whether the swaggering financial sector, or the withering social sector, there is always a need for a trace element of public ethics. One cannot in good faith argue against the essentiality for this trace element. As I write these memoirs, after the collapse of the global financial system in the wake of the US sub-prime housing crisis, this universal truth stands reinforced. Using the language of modern-day management, there are certain processes and products in a modern socio-economy, the adoption and creation of which must be considered unpardonable in public interest, regardless of all other circumstances. Such methods in the financial sector are unacceptable in all circumstances. Period. The modus operandi used in the securities scam was one such instance. In this backdrop, I would conclude that the sharpshooting defence of the Ministry of Finance in the course of the JPC hearings was a comprehensive failure. The final Report of the JPC is abruptly dismissive of all the smart wordplay, and is bluntly damning in its conclusions in respect of the illegalities.

HIT BY A RICOCHET BULLET

While the characters at the centre of the securities scam lead normal lives because their cases have not been decided, ironically, there are others who had only a peripheral role, but have suffered severe collateral damage. One such interesting tale is of Niranjana Shah. He was himself not involved in the securities scam; he was the hawala dealer for many of the principal players in the securities scam. Also, he was into drug trafficking for which he was using the hawala channels. When the securities scam was being investigated, the accounts threw up Niranjana Shah's case. Initially, he was

arrested by the CBI, but finding only evidence of hawala transactions, he was released on bail without the Enforcement Directorate being informed. By the time the relevant documents were transferred to the Enforcement Directorate, Niranjana Shah had fled the country; he could be deported back from Dubai only after fifteen months. On his return, he was promptly put in preventive detention under the Conservation of Foreign Exchange and Prevention of Smuggling Act (COFEPOSA).

Niranjana Shah and his wife Roma Shah were drug smugglers sending narcotics to Canada and the US. Their consignments were wrapped in packets of Indian spices, so that the strong aroma masked the smell of the drug. In this way, they were able to get past the sniffer dogs routinely deployed at foreign entry points. The Canadian and US drug authorities had got wind of this racket. On getting intelligence of a particular contraband consignment, they carried out what we call a 'controlled delivery' operation, that is, they tailed the consignment in several countries, through each section of the route, to fix the identity of all who colluded with the trans-shipment at the various transit points. Finally, the shipment was seized in Canada.

Roma Shah, who was handling the consignment at the far end, was arrested. Niranjana Shah, who was in India at that time, just vanished. Under a Canadian provision for plea-bargaining, Roma Shah's sentence was reduced to one day, subject to her deportation from that country. Thus, Roma Shah's immense talents came to be returned to the country of her birth—a case of reversal of brain drain. The trial record of Roma Shah in Canada is an eye-opener about foreign criminal justice procedure. The record consisted of a single printed sheet where details relevant to the case were filled by hand. It had the appearance of an ordinary traffic challan in our country. On that form, in a few handwritten sentences, the court had found her guilty and had recorded the conviction and sentence. By the standards of our country such proceedings would be called summary. Yet, in a country where the respect for rule of law is very high, the entire trial could not have taken more than two hours, though of course, this was a case in which the evidence was incontrovertible, and there was no scope for contesting culpability.

In a similar case in our country, however, the defence lawyer would have raised dozens of doubts that other people had access to the consignment, and that they had planted the drugs, making Roma Shah a hapless scapegoat. In foreign courts any attempt to raise specious arguments becomes counter-productive—it fetches an even harsher penalty than would normally be awarded. Sometimes it occurs to me that the judicial process in our country attempts to provide a quality of justice that we just cannot afford. Our cases go on endlessly. It is possible that, in a rare case, the near-summary procedure adopted in Canada may result in an unjust decision. But, the country takes a considered policy decision to run that risk. The Indian judicial process is so procedurally rigorous that it does not provide justice in a reasonable time frame, and many a time it does not provide it at all.

In the course of her problems with the law enforcement authorities in Canada, Roma Shah had discarded her husband. Niranjana Shah was wanted in India and Canada, and could also not enter the many first world countries that cooperate with Canada in drug smuggling cases. He therefore became a global gypsy, wifeless and homeless. It is the irony of our criminal justice system that Niranjana Shah is one of the few individuals who has suffered grievously from a ricochet bullet, even though he was not directly involved in the securities scam. As noted earlier, all the other lead players in the

scam remain free on bail as their criminal trials linger on.

THE CASE OF THE IDENTICAL TWIN

The Mumbai-based hawala dealer in the Securities Scam case, one Amirbhai by name, absconded soon after the case broke out. Investigations continued in his absence. All other strands of the investigation had been tied up, but we were not able to set our hands on Amirbhai, the key figure in any proposed charge-sheet.

One day, we got information that he had returned to his house in Chennai. It was something that we had been waiting for over one-and-a-half years. The local operatives asked for a photograph to confirm his identity. We had no photograph at the headquarters. The vital tip-off had come from Mumbai. We asked the Mumbai office to dig up a photograph. The Mumbai office tried, but in the short time available could not get a photograph—instead, they got hold of a souvenir of an educational institution where Amirbhai's photograph had been printed in gratitude to the principal donor for the souvenir. The photograph was a grainy one, but that is all we had. We got the Mumbai office to fax the photograph to Chennai. Our local operators had surrounded the house, and they were asked to move in with the photograph. The action proved a dud; Amirbhai was not there and his wife was non-cooperative. The enforcement officers were handicapped by the awkwardness of having to interrogate a lady in purdah in the absence of any male family member. In any case, since our information was specific on the matter of the presence of Amirbhai in Chennai, the team was asked not to let up. Two of our operators were stationed at the airport and late in the evening they reported that our man was there waiting to board a flight to Mumbai. The team was asked to move in immediately.

The first report received by us sent us over the moon with excitement. The person detained matched the photograph sent. They were taking him to the city office and would report later. An hour later the report was a little circumspect. There was some problem about the identity of the person, who said his name was Arif and not Amir. My reflex response was to suspect a sabotage of the operation—enforcement operatives were often dodgy. Some time later, more detailed information came from Chennai—the person arrested looked exactly like Amirbhai, but had a limp as a result of a club foot, which Amirbhai was not known to have. This man claimed he was the identical twin brother of Amir and was named Arif. He said he was going to Mumbai to meet his daughter who was married and living there. Expectedly, he claimed that he had not heard from Amirbhai for several years. The team was told to verify the antecedents of Arif further and not to let him go free under any circumstances. In the span of four hours our exhilaration had peaked and now slumped to near-zero. Would this freak coincidence thwart us?

Our subsequent efforts drew a blank. Amirbhai had certainly been at the house when we got the information. Did he get away because there was a leak from within our team? Was the identical twin brother sent to divert our attention while Amirbhai made his escape? All these are unanswerable questions. What we did come to know from our sources is that Amirbhai broke away and headed for the coast, from where he probably crossed over to Sri Lanka. Amirbhai continued to abscond for some more years, by which time the charge sheets were filed. With the charge sheet filed, he knew

nothing more was likely to be done against him and he returned to his old hunting ground.

HOW A MAJORITY WAS WON

The post-Securities Scam period saw us being subjected to grilling in a number of different forums—parliament, parliamentary committees, media, etc. As Director of Enforcement I was sometimes in the direct line of fire. But, more often, it was the Minister or Secretary who faced the fire, and I was in attendance merely to provide comfort to them. It has always intrigued me that, in moments of stress, we all take our team along as moral support. In most proceedings only the leader of the team, or at the most one other, speaks—there is just no time to consult anyone. The extended team on such occasions merely provides psychological comfort. On one such occasion, while providing comfort to my seniors, I was witness to an unusual drama.

This was again in the period of the minority government of P.V. Narasimha Rao. The government was besieged on several fronts—Securities Scam, the Jain Hawala Case, the Vostro Account Scam, etc. Dr Manmohan Singh was the Finance Minister. An adjournment motion, assailing the government for failing to effectively investigate the Securities and Jain Hawala Scams, was being debated in the Rajya Sabha. The opposition had some of the most effective speakers ever seen in parliament. I was in attendance in the official gallery of the Rajya Sabha. The opposition speakers were lambasting the government. In between, there were shouts demanding that the Prime Minister himself reply to the debate; the members were not prepared to listen to the Finance Minister. Dr Manmohan Singh sat slumped in his seat like a brooding Buddha. I recall Ashok Mitra, the ultimate Marxist warrior, was on his legs. He was considered to be one of the most incisive minds in the country, and he tore into the government without mercy. He combined an encyclopaedic mind with an acidic tongue—no intelligent listener could be impervious to his torrent of analysis. The Finance Minister must have winced with each thrust of Mitra's scimitar. While on the one hand marvelling at this epic drama of democratic debate, as a civil servant I crept back into my shell in the realization that, by and large, the charges being made by the parliamentarians were true.

Just then a person entered the official gallery. He was on the personal staff of Captain Satish Sharma, then the Minister for Petroleum and Natural Gas. This aide was a happy-go-lucky guy, known to me socially; he was an odd-jobs-man, particularly useful for carrying valuable suitcases for Ministers. He greeted me warmly, and then in a conspiratorial manner drew me to the door: '*Mubarak ho Saheb, mubarak ho. Aapke sarkar bach gayee hai!*' (Congratulations, Sahib, congratulations. Your government has been saved!). I could not for the life of me make out what he was meaning. '*Kya hua.?*' I asked. '*Aapki sarkar ko bahumath hasil ho gaya hai*' (Your government has achieved a majority).

Even after factoring in the maverick temperament of my friend, I could not make any sense of what he had said. In any case the government in power was not, by a long shot, the government of my personal choice! Again I asked: '*Kya matlab hai?*' (What does that mean?). It is then that my friend explained the situation to me in normal intelligible language. It seems that the group of four Jharkhand Mukti Morcha Lok Sabha MPs had been persuaded to support the minority Congress (I) government. With that, the government would have a clear majority in the Lok Sabha. The MPs had just entered

Parliament House along with their minders—Capt. Satish Sharma and R.K. Dhawan—and were on their way to meet the Prime Minister to pledge their support in person. For the record, it needs to be stated that the PM did not eventually find time to come to the House to answer the debate on the adjournment motion; he must have been busy reassuring his new supporting MPs. The impact of the incident only sank in much later—I was a bit tense then on account of the ongoing debate.

The government was in a precarious position; a no-confidence motion was imminent in the Lok Sabha. The Left Front, which had been giving issue-based support, had lost its patience on account of inaction in the various financial scams. They had announced that they would vote against the government. If the JMM MPs had a genuine change of heart, it would be a life-saver for the government. But, the facts that emerged were different. Later on, news broke out that the JMM group had allegedly been bribed to pledge their support to the Congress (I) government. A change of heart is rarely without a cost. The simpleton MPs had deposited the proceeds of the transaction in cash in a nationalized bank! The CBI had been called in to investigate. However, the investigation and the criminal case against the MPs as bribe-takers fell through because their actions in parliament were protected by parliamentary immunity under Article 105 (2) of the Constitution; this is so even if, *prima facie*, the events constitute an offence under criminal law—such is the ruling delivered by the Apex court of the country. As a citizen, I cannot help but observe that it may be in public interest if some day the Apex court revisited this ruling. As for the alleged bribe-givers, which included the then-PM, P.V. Narasimha Rao, and Union Home Minister Buta Singh, they were prosecuted in a court of law. The trial court convicted and sentenced P.V. Narasimha Rao and Buta Singh as bribe-givers. However, in the appeal the High Court gave them the benefit of doubt on account of material contradictions in the statement of the approver in the case. In the event, at the end of these twists and turns driven by its own motives of power, the government survived the no-confidence motion in the Lok Sabha with the support of the JMM.

As I reflect on that incident of a decade-and-a-half ago, the picture I see is on a split TV screen—displayed in one half of the screen is this robust exercise of a no-holds-barred parliamentary debate; and in the other half of the screen is the scene of the purchased JMM MPs trooping into the Prime Minister's office to pledge their support to enable the government to achieve a working majority. In a stumbling democracy, the real scenario, if displayed on a TV screen, would show up as multiple-images—each image depicting some facet of a functioning democracy in the real world—some ugly, some ennobling.

In respect of the political executive, again we see history repeating itself. The cash-for-vote scam in 1993 involving the JMM MPs has been replayed, almost frame-by-frame, as the cash-for-vote scam during the trust vote in the Lok Sabha over the Indo-US nuclear deal in 2008. On both occasions, because of a legal tangle, the participants have escaped being brought to account. With repetitive frequency, we are finding that the attempts to enforce strict accountability in blatant cases of criminality in the political arena are being thwarted by one or the other obscure principle of law. That our actions, in defence of our democratic polity, have to yield time and again to some other norm of convenience does not bode well for the future.

The Rogues' Gallery

BRIBES OR GIFTS?

The Jain Hawala Case was the prime investigation during my tenure in the Enforcement Directorate. The incident triggering off the inquiry occurred in 1991, before I joined. The CBI received some information regarding serious economic offences committed by a family of four Jain brothers—the information was not specific about which economic laws were being infringed, but the brothers were known to be carrying out huge unaccounted cash transactions. The CBI carried out a search of the farmhouse of the brothers, followed by searches of the town residences of some of their key relatives in the business. The Jain brothers had a heavy steel fabrication unit in Bhilai and several other trading businesses. Their industry was only a medium-sized one, but they had close connections with shady politicians, industrialists and civil servants. The initial searches made by the CBI revealed documents and accounts that related to infringement of the foreign exchange regulations, and so the Enforcement Directorate was also asked to join the investigations.

The principal recovery during the searches was a set of detailed hawala accounts totalling about Rs 65 crores, listing a virtual 'who's who' of the political and bureaucratic elite of the country. The rogues' gallery included sixty-two politicians and eighteen government servants. The record of transactions showed strict political neutrality in the dealings of the Jain brothers—members of all the major parties were beneficiaries. The accounts related to a period stretching from 1989 to 1991. Many of the BJP and Congress leaders featuring in the seized accounts were not in office on the dates to which the entries in the accounts related. That these accounts related to hawala payments was established through the statements of the hawala dealer, as also the confirmatory statements of some of the listed recipients. One Janata Dal leader admitted on a TV channel that he had received funds, but that they were unconnected with any favour as he was not holding any office then. The investigations in their totality indicated that the funds had been received through hawala, but they were not bribes as a quid pro for any particular deal. The Jain brothers were known to be middlemen, facilitating companies in obtaining major contracts. They concentrated on hydro and thermal projects, for which their clients paid for the services in foreign accounts. From time to time, when the Jain brothers needed local funds, they transferred them to the country from abroad through hawala. Most of the entries in the seized accounts of payments made through hawala included various important personalities in the country, who were not in positions of power at the time of the transaction. These were merely gifts, a far-sighted investment in goodwill made by the Jain family.

For most of these transactions there was never any possibility of the CBI establishing a nexus between the payment made to an individual and a favour obtained through the exercise of official position by the same individual. It is beyond my comprehension why the CBI pursued these cases as one under the Prevention of Corruption Act. There was a cut-and-dried case of violations under the

Foreign Exchange Regulation Act. FERA was a special economic law with stringent provisions. Under it, statements made to an investigating officer were admissible as evidence in a trial, while those made to CBI's investigating officer under the Prevention of Corruption Act and the Criminal Procedure Code, were not. Also under FERA, the Supreme Court in several cases had held that, if even a few entries in seized hawala accounts were corroborated by the recipients listed in the accounts, the entire set of accounts could be legally presumed as proven. As I had mentioned earlier, in the Jain Hawala Case, several recipients listed in the accounts had admitted the receipt of the funds during investigations. Also, under FERA, the onus of proving a person's innocence lies on the accused as a departure from the normal rule of jurisprudence. Taking into account these special provisions, pursuing the case only under FERA would have given immediate results. As it transpired, the cases filed by the Enforcement Directorate were under FERA and were based on one interpretation of events, while the cases filed by the CBI were under the Prevention of Corruption Act, based on an entirely different and conflicting story. It did not surprise me at all that the CBI cases were thrown out by the court at the threshold itself. It was absurd to suggest that individuals, who were out of office, could have obtained payment of illegal considerations as a quid pro quo for compromising public interest. Also, the CBI faced a paucity of admissible evidence, while the admissible evidence under FERA was substantial.

THE AMBUSH

In the period the Jain Hawala Case held public attention, there were all types of speculation about the role played in it by different public personalities. Given the cynicism in public life, few believed that the scam had been thrown up by chance and was being pursued by the CBI in public interest. The speculation centred on who benefited by what. P.V. Narasimha Rao ran a minority Congress government then; he faced rivals within the party in addition to those from the Opposition parties. Though he could never be expected to make a very daring political move, he had enough guile to recognize a possible gambit if it could be played by someone else at the front. Narasimha Rao was well-known for his deep strategic moves. A big scam had fallen into his lap—fortunately it did not touch him in the least. Leading personalities from all political parties were under the shadow of the scam. It was a godsend which would enable him to manage his minority government. Not all within his party were happy to see him in the Prime Minister's seat; some of his party rivals were also tainted by the scam. But all in all, even with this situation, Narasimha Rao sat in the Prime Minister's seat much more comfortably than would be expected, considering the numbers his party held in parliament. Narasimha Rao may not have been very unhappy over the unravelling of the Jain Hawala Case. The discomfort, for some of his rivals, no doubt added to his level of comfort.

At one stage the investigation took a sudden turn. The Jain brothers were in judicial custody; the CBI was questioning them. Speculation had it that the CBI official supervising the investigation was pliable. He was intelligent and ambitious. He was also related to a senior member of the BJP—‘*Hagga-na-Hagga*’ (relative of a relative), as we would say in our Gujarati. The CBI chief, Vijay Ramarao relied on him greatly. The official was well-connected across the political spectrum. Some members of the principal parties—the Congress and the BJP—thought that they could use him to

advantage. It was claimed that in one of the interrogation sessions S.K. Jain had made a startling revelation against Narasimha Rao. Strangely, the statement recorded was on a matter totally unrelated to the Jain Hawala Case. It needs to be recalled that Narasimha Rao's name was not even remotely linked to the Jain Hawala diary.

S.K. Jain in the statement claimed that he had a very close relationship with Narasimha Rao. By way of further detail, he was reported to have said that on the previous Holi he had gone to greet Narasimha Rao with a suitcase of cash, as a token of his regard. The statement contained various details that lent it verisimilitude. This statement was a bombshell—it would raise speculation about Narasimha Rao's bona fides. As a result, the capacity of the government to strongly pursue the investigation in the Jain Hawala matter would be weakened. If this statement was true, undoubtedly, it should have been independently pursued. However, this investigation would not be in substitution of the Jain Hawala investigations. Normally, it would have been natural to bring the statement made by S.K. Jain to the notice of the CBI Director immediately. However, instead, CBI's supervising official did a strange thing. Without a moment's consultation he went and filed the statement before the Supreme Court bench that was supervising the investigation. As expected, there was uproar in the country when that news broke out. Voices were raised, demanding that S.K. Jain's allegation of offering illegal gratification to Narasimha Rao should be investigated. As a result, attention was diverted from the Jain Hawala investigations. Had the 'Empire of Crime' struck back with this gambit?

I have no information about whether the incident mentioned in S.K. Jain's statement is true. Middlemen are known to visit political personalities on festivals to greet them with sweets and suitcases of cash. In any case, the mention of this incident during the investigation of the Jain Hawala Case was obviously intended to be a deflection. Vijay Ramarao was absolutely livid when he heard of this development. On an earlier occasion I had mentioned to him that I had found the concerned CBI official somewhat dodgy. Vijay Ramarao had smiled and said that he would handle him. However, after this incident, Vijay Ramarao ruefully recalled my remark and said that he now wished that he had taken my remarks more seriously. As is clear from this incident, even a Prime Minister can be ambushed by a mere middle-level investigating officer.

Some of the curious developments in the Jain Hawala Case have been recalled here. It is clear that this investigation had not proceeded in the way normally expected. The twists and turns in this case cannot be considered routine features of an important investigation. At the end of it all, after the passage of nineteen years, we can only observe with sadness that the investigation has petered out.

The Russian Connection

INDO-USSR RUPEE-ROUBLE SCAM

The Indo-USSR Rupee–Rouble Trade Agreement—a major bilateral initiative of the post-Independence era—led to a variety of foreign exchange scams. The cases uncovered by the Enforcement Directorate in just one year were of a value of Rs 190 crores; needless to say, the Directorate could have picked up only a very small fraction of the illegal transactions—normally a strike rate of 2 per cent is considered very creditable. The possibilities for scams arose because the trade was based on an artificial rupee–rouble exchange rate, hugely overvalued in favour of the rouble. At that point of time, in the late eighties and early nineties, the USSR was in the early stages of economic restructuring. There was widespread economic chaos and the country was facing a huge trade deficit. Hard currency (the US dollar) was in short supply, and the unofficial exchange rate for the rouble vis-à-vis the dollar was much weaker than the official exchange rate.

Under the Indo-USSR Rupee–Rouble Trade Agreement, India imported defence supplies from the USSR and was required to discharge its rouble debt by exporting Indian goods and services to the USSR at the artificially denominated rupee–rouble exchange rate. This set of artificial conditions led to a spate of fraudulent exports. The USSR had accumulated a large balance of rouble credit because demand for exports from India was limited. The huge exchange rate difference between the agreement rate and the open market rate gave immense arbitrage opportunities to the officials on the Russian side and financial fixers on the Indian side. The USSR, facing a critical shortage of hard currency, decided to utilize its huge credit balance in the rouble account by auctioning them out against payment in US dollars. The purchasers of the rouble assets were the shady operators in the underground global financial market. Conceptually, the abnormally overvalued rouble in the agreement was justified only because the debt was to be discharged in the form of export of Indian goods and services. This provided an attractive window for export trade in a period when Indian exports made heavy weather in the export market. The sale of the rupee assets by the USSR government opened up rich possibilities for international racketeers for making a killing in the global financial market.

The modus operandi adopted by the racketeers made use of the inherent anomalies in the trade agreement, and purchasers of the rouble assets set up bogus export deals. In most cases nothing of value was exported. The export remained only on paper, and this gave the fixers in the Russian and Indian financial sectors an opportunity to jointly mint money. The losers were the potential exporters from India. The ostensible exports from India were really trash that was abandoned at the Russian port, or at a transit port. In a variant of this, exports initially shown as destined for the USSR were, through collusion, deflected to another country in a hard currency area in what was called ‘switch trade’. The exporter was paid in roubles from the balance in the Indo-USSR Rupee–Rouble Trade Account, which he converted to US dollars in a perfectly legal transaction. Scores of cases came to

the notice of the Enforcement Directorate of abandoned goods at intermediate or final destinations. In legal terms, the deflection of exports from USSR to a hard currency area was a violation of the terms of the trade agreement; in real terms India lost an opportunity for developing export openings in a new trade area. Through this trade agreement the government had intended to discharge its debt liability through fresh exports to the USSR, instead of through the US dollar (that is, direct conversion of the rouble balance into US dollars at the ruling exchange rate). The latter course of action would naturally place an additional strain on the foreign exchange position in hard currency. As the scam was run, this objective of the government was completely defeated. Finally, the discharge of the debt led to a significant draw on the domestic dollar reserves over a short period.

Numerous cases, where the modus operandi of bogus exports to the USSR was adopted, came under investigation. Goods were just abandoned at final destinations, and when inspected, were found to contain trash. The goods were all booked from India on an FOB (Free On Board) basis. When the exporting party was asked how the goods were trash, when the loading manifest mentioned entirely different items, they said that they were not answerable for the goods at the destination as their responsibility ended with the loading of the goods at the Indian port. Needless to say, it was easy for them to load trash on a misdeclared export manifest, on payment of a small consideration to the customs inspector. Thus, while it was clear that the entire operation was collusive, there was no way of fixing responsibility on the exporter.

The rupee–rouble scam was, perhaps, the largest value foreign exchange scam using a single modus operandi that has been played out in the history of India. It had certain unique features that ensured its success. The principal beneficiaries were the officials of the two countries, and to some extent even the Russian government that got hard currency through the deal; and the loser was the Indian exporter who was meant to get a preferential entry for his products into the Russian market. The Russian government could rationalize its blind-eye to the scam as it was desperately short of hard currency, and could convert its illiquid rouble credit balance into hard currency through flyby-night dealers holding illicit hard currency. Through this racket the intermediate foreign exchange dealers earned huge quantities of rouble funds, some small portion of which was shared with the Russian and Indian officials who facilitated the transactions. When we noticed this racket in the Enforcement Directorate, the solution seemed obvious to us. If rules were amended to require the export contracts to be compulsorily on the c.i.f. (cost, insurance, freight) basis, the racket would immediately fold up. If the Indian exporting party had to enter contracts on a c.i.f. basis, he would be responsible for the goods exported anywhere en route, or at the destination; the misdeclaration of the goods would be their responsibility. Quite innocently, we from the Enforcement Directorate wrote to the Department of Revenue that we proposed to move the Central Board of Customs and Excise to amend the conditions of export on the lines indicated above. Shortly afterwards we got a rocket from the Department!

The Department of Revenue was outraged at the suggestion: this would restrict the freedom of exporters for determining the structure of commercial contracts; it would give a very negative signal in the global market when exports were beginning to look up as a result of the financial reforms; and the operation of the Indo-USSR Trade Agreement had wide geo-political and foreign policy implications.

Needless to say we were surprised at the vehemence of the reaction and the promptness with which it was conveyed. Normally such a reference would not get the attention of the Ministry for a year. It was only much after the event that various pieces of the jigsaw puzzle fell into place, and the dimensions of the vested interest in the scam became clear.

When reflecting on those events, I have always wondered how this gigantic manipulation of the system was not noticed by the tsars of the economy. Just the detected transactions under the scam led to the draining away of about 40 million US dollars from the country in one year—this was a period when the economy faced an unprecedented foreign exchange crunch. It would be of some curiosity value to the reader to learn that the Indo-USSR Rupee–Rouble Trade Agreement was negotiated and signed at a time when the present Prime Minister, Dr Manmohan Singh, was the Co-Chairman of the Indo-Soviet Joint Planning Group. Many amendments to it, as also revisions in the rupee–rouble exchange rate under the agreement, were made in the period Dr Manmohan Singh held a series of top positions in the financial sector—Secretary, Department of Economic Affairs; Governor, RBI; Finance Secretary; and finally Finance Minister. In other words, these events occurred during his watch in one capacity or the other. The nature of this scam, and the size of it, was well known in the upper echelons of the financial sector, including the highest bureaucrats in the then Prime Minister’s Office.

VOSTRO ACCOUNT A RUSSIAN MILCH COW: 1992 TO 1995

One modus operandi of the criminal manipulation under the Indo-USSR Rupee–Rouble Trade Agreement has been narrated above. The trade agreement was so unusually open-ended that it invited many types of scams. Another major manipulation of this trade treaty was through what came to be known as the Vostro Account Scam. Vostro Accounts are technically fully convertible foreign exchange accounts held by banks to carry out normal inter-country trade transactions. These were subject to RBI regulations and monitoring. In the early nineties, the foreign exchange control regulations were still very strict. We were just recovering from a near economic collapse, when our foreign exchange reserves had come down to a billion dollars, the requirement for no more than a couple of days of trade transactions. Strict compliance with the foreign exchange rules and instructions was still a very high enforcement priority.

As mentioned earlier, a large amount of rouble funds were trapped in an illiquid condition as Russia’s credit balance under the trade agreement. Some fraudsters, in collusion with officials of the banks, devised a very simple modus operandi for raiding these funds. Under the basic structure of the fraud, an exporter set up a contract with a Russian counterpart in rupees. The transaction in the contract was an entirely illusory one. On the completion of the virtual export transaction, papers were presented to the bank for crediting the exporter’s account from the credit balance in the USSR rouble account. Considering the nature of the Indo-USSR Trade Agreement, the credit to the exporter’s account should have been in roubles at the artificially denominated exchange rate in the agreement. Any further conversion into hard currency, at the exporter’s choice, would be at the ruling open market rouble–US dollar exchange rate.

But, as my investigating officers described it, the exporter had a ‘setting’ in the bank. The banks involved made payment directly to the exporter in US dollars at the ruling open market rupee–US dollar exchange rate through their Vostro Account. In other words, the impact of the harsh rupee–rouble exchange rate under the Indo-USSR Treaty was bypassed. While in procedural terms this was a minor matter of making an entry in one ledger rather than in another ledger, the financial advantage to the exporter was enormous. At first sight it may seem a minor clerical error, but when repeated hundreds of times for large dollar values, the nature of the crime is obvious.

The whole scheme seemed simple if one had the ‘setting’. Many fraudsters entered the arena—the Vostro Account racket proved to be a veritable Russian milch cow. Many banks were involved, though I must say that there was a preponderance of foreign banks. Investigations threw up startling evidence. The top functionaries of some foreign banks were personally involved; many e-mails came to light, not just approving such transactions, but some even openly exhorting such pro-active initiatives. The investigations revealed that many banks, and their high functionaries, had declared an ‘open season’ in running this racket. Documents on our record showed that the high functionaries had personally monitored the run of the operations. The bank commission for such transactions was inordinately high at 5 per cent of the value involved. For the investigator these were open-and-shut cases. Evidence was in the form of documents from the records of the banks, and there was no possibility of any witness being seduced to turn hostile.

At the end of the investigation we came to the crucial question of which bank officials should be charged in their individual capacity. The dealing bank officials at the branch level, who made the illegal entries in dollar denomination, when the exporters should have been credited in roubles, were obvious targets for charge-sheeting. The corporate entity, the bank, was also certainly culpable for the failure in exercising due supervisory diligence. The critical decision was whether we should charge the chairmen/other senior functionaries of the foreign banks by name. While we are well aware of the truism that all are equal under law, the Director of Enforcement could scarcely be oblivious of the fact that the banks were some of the leading global banks, and their chairmen were the lions of the financial world. I churned the matter over in my mind for several days. The decision, whether to charge the principal official of a foreign bank, was a matter of judgment to be determined on the facts and circumstances of individual cases. There was no doubt that there was incontrovertible evidence that in many cases the senior officials of these banks had directly participated in the illegal transactions. One was always aware that the tsars of the Indian economy would be greatly perturbed by any move to charge the senior functionaries of the involved banks. But, when we cut through the scrub of details and looked at the principal facts, there was no getting away from the conclusion that these top-level officials were directly and personally involved. So finally, we grit our teeth and took the plunge: we would charge the top officials, including the principal official, in all cases where their direct involvement was established by the evidence. Thereafter, the criminal justice system would take over and determine whether the charge was established or not. We prepared a summary note giving the evidence in each case and indicating who we proposed to charge and under what provisions of FERA, and sent it to the Finance Ministry. Some two weeks later we got a message that the Finance Minister wished to discuss the issue. I knew what to expect.

By that time Geetakrishnan had retired and Montek Singh was the Finance Secretary; M.R. Sivaraman had taken charge of the Department of Revenue. Sivaraman did not attend the meeting; it was mentioned that he had been called away on some important work. However, I have never been able to rid myself of the suspicion that he did not want to be a party to the dogfight that seemed inevitable. The RBI Governor, along with his Deputy Governor, attended the meeting. Montek Singh was present for a while and then left as he had some other pressing engagement. It certainly came as a surprise to me that the two Secretaries from the Ministry involved in this delicate issue, chose to remain absent from a meeting taken by their Finance Minister.

I had gone prepared. I saw it as an issue involving the credibility of the Directorate. If I did not press for equal treatment of all involved bank officials, big or small, against whom there was direct documentary evidence, the tenuous control I held over the Directorate, would just vanish. If I was to remain an effective Director of Enforcement, I had to press for the acceptance of my proposal. I spelt out the case in detail before the Finance Minister, emphasizing the type of evidence available against the top officials of the banks. Montek Singh argued that it was not common practice to charge sheet the top officials of the banks, as the occurrence of some irregularity in some remote branch could not be considered lack of due diligence in their individual capacity. Also, the oft-repeated argument was given—that any such move would unduly shake up the corporate world and would sully the investment climate which had only just started improving. I explained the incriminating circumstances: this was not the case of a one-time error; the racket had been run systematically in several banks over an extended period. Unless all officials, against whom there was direct evidence, regardless of their standing in the corporate world, were charged, the Directorate would have no credibility left and would be attacked in public, where we would have no defence. The Finance Minister never really contradicted what I said. The various practical difficulties and embarrassment that would arise were mentioned by Montek and some of the other officials present. Montek left after some time while the meeting was still in progress. The Finance Minister looked distinctly uncomfortable. At one point, when I listed the specific evidence against the senior official of a foreign bank, the Finance Minister, in obvious discomfort, said: ‘I have told Montek to take action against these high-handed foreign banks; I don’t know why he does not do it’. Minutes of official meetings are usually bland and reflect little of the cut-and-thrust of the discussion; however, as a notable departure from this practice, the minutes of this meeting reflected the Finance Minister’s unhappiness over the state of affairs in the banks and directed that strong action be taken.

Everyone had had their say and exhausted themselves. There was a strained silence. It appeared that the Finance Minister recognized that dropping the senior functionaries from the charge sheet would invite trouble. Given his temperament, he could under no circumstances issue a directive, whether categorical or as a suggestion. Possibly, Montek, the protector of the corporates, had pressed him to block our proposal. For various constraining circumstances, he could not block the proposal; but, he also had to do something that showed that he shared Montek’s concerns. He was looking for some formulation to get him out of this hole. After much push-and-pull it was decided that a prosecution be launched against all the bank officials against whom there was direct evidence of involvement, plus against one higher level on the basis of the principle of constructive responsibility.

This met our requirements, because we had direct evidence of involvement for all the senior executives we wanted to prosecute.

I had not taken my junior colleagues with me to the meeting as I was not sure what turn it would take. If it was reduced to an unpleasant slanging match, as I feared it would, I did not want them to witness it. They were waiting for me outside the meeting room. I was hot and tired as I came out. They did not immediately ask me what the outcome was, but I knew this was uppermost in their minds. The Enforcement Directorate is no seminary of nuns—the officials there have survived in the wilds and many of them were hard-boiled veterans. But despite their numerous failings, widely publicized by the corporate world, they still had some pride in their profession. This cat-and-mouse game—whether to charge the top officials of banks or not—had been going on for some time. They would have been demoralized if I had not had my way that day. They were not willing to be bludgeoned on such an issue by people who had bad-mouthed them over the years. Even a much-compromised enforcement functionary has his mite of professional pride—there are days when he finds himself compelled to square his shoulders and assert: ‘I am an Enforcement Officer, a public servant.’ I put my colleagues out of their anxiety: ‘*Theek hai*. Chairmen will be charged.’

But, this was not the end of our travails in this investigation. When the criminal proceedings were started, we found ourselves legally blocked at every turn. On some technical point the High Court stayed the proceedings against the bank officials. Our case had not been competently argued by our counsel. Generally in such court contests we were professionally outclassed—our stuttering counsel was generally punching much above his weight. In rare cases where the stakes were high we engaged a senior counsel from the market at special fees. Looking to the sensitivity of this case, we decided to go in for a senior counsel. The decision in principle was easy enough, but we soon ran into another brick wall. When we contacted the suitable senior counsels we were informed that they were not available. Out of the best in the field, four had signed the *vakalatnamas* in the cases of the bank officials. Some of the other suitable ones had been engaged by the foreign banks on advisory retainerships, and were, therefore, not available to us. We faced an extraordinary situation in which no suitable senior counsel, out of the dozen or so well-known ones practising in Delhi, was available to us. To say the least, we were greatly shocked to find ourselves in this predicament. Every professional lawyer has the right to earn a fee, whether as the arguing counsel or as one engaged on an advisory retainerhip. However, we could not but feel bitter that none of the senior counsels were available to us even on special fees—was it too much to ask that at least one of these stalwarts could have earned his large fees from the government rather than from the banks? Be that as it may, we had to try to make the best of it. In that situation, our hopes rested on a crusty old counsel of ours who could never be seduced to take up an advisory retainerhip from a foreign bank. He was one N.N. Gooptu, former Advocate General of West Bengal. He was an old and cantankerous communist. He deferred to no one, be it the court or the client. We had earlier engaged him, with good results, for some of our Calcutta Zone cases. We asked our Deputy Director of the Eastern Zone stationed in Calcutta to sound out Gooptu. Our Deputy Director warned us that he was very old and cranky now, but we advised the Deputy Director to try and flatter him into accepting the brief. Our Deputy Director laid it on thick—telling him that the corporates had ganged up to book all the leading

counsels, leaving the State inadequately represented. We were confident that he would come to our assistance in our helpless situation. Gooptu was true to his irascible reputation. First, he bad-mouthed us for coming at the last moment and thereafter for never paying his fees promptly! Then, having vented his ire, he suggested the names of some Delhi-based senior counsels who could be approached. The Deputy Director explained that all those counsels had been approached and all had declined; the banks had a deliberate strategy to block out competent legal aid for the State. Gooptu muttered and complained, but now at a much lower pitch. He excused himself by saying that he had stopped accepting outstation briefs. However, at the end of repeated appeals to his unfailing public spirit, he finally, grudgingly agreed to appear for us. In court, Gooptu argued his case without the slightest deference to the reputation or perceived stature of the opposing senior counsels—our case was good in law and we won. The stay against the proceedings in the lower court was set aside and the criminal justice process restarted. As the reader will see, we had to work very hard to establish that all parties are equal under the law, even the State.

The Director's job is a tough one. He is required to maintain integrity, enforce the law and at the same time not unduly sully the business climate. Some elements of these responsibilities are conflicting. But, after that one cathartic encounter in the Finance Ministry, I did feel that I had come to be accepted as the leader of that hard-boiled enforcement team. It is very easy for an enforcement agency to surrender its morale—retaining it is hard, painstaking and risky work. In any case, as a result of the day-to-day interactions enforcement officials have with the general society, they are always under social pressure to pull their punches. The possibilities of transactional earnings are also more promising when going soft in enforcement matters. Restraining pressure from the tsars, under the guise of public policy, has an extremely damaging impact on the work culture in an enforcement agency. If professional pride is belittled, and the signals are that government is not particularly keen on enforcement, the operatives of the agencies will, in no time, turn their full attention from law enforcement to making money. The powers-that-be prefer to have stringent laws and lax enforcement, when, perhaps, the combination required in public interest, is the reverse. Stringent laws, even when combined with lax enforcement, give the ostensible impression that the tsars are keen on curbing malpractices—a convenient public posture to adopt in politics. At the same time, they are anxious that the laws not be rigorously enforced as this would hurt those special interests that they cultivate politically. This ambivalent situation suits them in another way—if things reach a crisis point as a result of non-enforcement of economic laws, they can always shift the blame to the law-enforcer, and pretend that they have been taken by surprise, and will in future diligently set things right.

Unending Bofors: Some Aspects

The Bofors case has titillated the newspaper readers of our country for the last two-and-a-half decades. The case is of immense importance from the view-point of credibility of governance because of the stature of the public personalities whose names were connected with the scam. The case was investigated inconclusively by the CBI over this extended period. In fact, even till this day, the investigation has not been closed. In my period in the Directorate of Enforcement, this matter was never investigated by us, as the documents and other details were not transferred to us by the CBI. The estimated quantum of the kickback was Rs 64 crores. By the scale of current scams, this is small change. However, in the circumstance of that time, and in the context of the public personalities associated with it, it became a *cause célèbre*. By a strange twist of events, I came to be associated with this case *after* I had left the Directorate of Enforcement.

When I was the EO, the Cabinet Secretary phoned me one day and without any preamble asked me whether my passport was valid. I said it was. He went on to say that a CBI team was going to Switzerland to take custody of some bank documents relating to the Bofors case, which were going to be handed over by the Swiss investigating authorities. He then told me to join the team. I asked him what my role would be. He merely said that I was familiar with the matter from my Enforcement Directorate days and so I would be useful. This took place on a Friday afternoon. The team was leaving on Sunday night. The Ministry of External Affairs used its good offices to get me the Swiss visa on a Saturday. The Director of the CBI at that time was Joginder Singh, more colourfully nicknamed ‘Tiger’.

I had known Tiger from the time of his previous posting as Director General of the Narcotics Control Bureau. Tiger, as everyone acquainted with him knows, is an irrepressible public performer. He is gregarious, he is happy to be on backslapping terms with everyone, and he is a great one for recounting tales. I often felt that he really must have to curb his natural instinct to retain the secrets that were a part of his professional duties. This trip with him turned out to be very entertaining.

After a night’s rest at the hotel in Berne following our arrival in Switzerland, I got up and readied myself by a reasonable hour, not knowing what Tiger’s programme was going to be. At about eight in the morning I rang him on the intercom. He was full of beans. ‘Oh yes, I am getting ready. Why don’t you drop by?’ I went over to his room. To my surprise he looked as though he had just woken up. He was in his night-clothes, as dishevelled as only a sardarji can look. His unpacked clothes were strewn in various parts of the room. I said that it looked as though it would be a long time before he was ready. He said that he would get ready in a jiffy. He was trying to stretch out his starched pugree—the operation known as *punee* in Punjabi. This operation, as we all know, takes two persons to perform. He handed me one end of the pugree and together we unsuccessfully tried to stretch it out in the small, crowded room. Thereupon, I suggested that we step out into the corridor to get enough

space. So there we were in the corridor, pulling and slackening the length of pugree alternately. We were making good progress when a chambermaid came down the corridor. You can imagine what she saw—this dishevelled, hirsute guest in his night-clothes playing tug-of-war with a length of stiff pink cloth with another Asian in the middle of the corridor. She turned around in consternation, screeched in fright and immediately fled back to where she had come from; I do not know what she reported to her supervisor. In any case I was getting a little uneasy with the drift of events. I suggested to Tiger that his turban was now in good shape and he should quickly complete his ablutions and get dressed. Tiger spent the day resplendent in his pink pugree.

The relevant bank documents were handed over to us by a senior Swiss investigator at a formal ceremony in the presence of the media. The well-known Geneva-based news-hound, Chitra Subramaniam—she had ferreted out many of the incriminating documents in this case—was also present. We also held discussions with the Swiss investigator. Our interaction with the Swiss investigating authorities gave us a glimpse of the difference in legal practices between their country and ours. The documents to be handed over were shown to us. They were computer printouts from a soft copy with a digital signature. Being accustomed to ‘True Copies’ authenticated by a public notary sitting under a peepal tree, these documents looked ‘informal’ by our standards. It was awkward to ask the Swiss authorities about this. But the anxiety of taking back documents and being told by the courts that these were worthless troubled me. Finally, I asked Tiger whether these documents needed to be authenticated in some manner. Tiger also saw the point and raised it with the Swiss investigator, but he had considerable difficulty in understanding our request. We explained our problem: the Swiss authorities would be giving us computer printouts in several sealed packages which we would have to open in the course of our investigation; at the end of the investigation, a charge sheet would be filed along with documents in support as evidence. But if these were not authenticated by the Swiss authorities, they would be challenged as inadmissible. The Swiss investigator was dismayed—when the Swiss authorities were themselves giving the documents to the Indian authorities, how could the court question the genuineness of the document filed with the charge sheet. The computer printouts were from a soft copy secured with a digital signature. With embarrassment we explained that cases of fabrication of documents in India were not unknown. The Swiss counterpart shook his head in bewilderment. Finally, as a concession he agreed to mark each page of the printout with his official stamp.

But this is not the end of this story. In the year 2004, the High Court of Delhi quashed the case against the accused on the ground, amongst others, that the documents had not been authenticated in a manner required to make them admissible in Indian courts. Strangely, no appeal was filed by the CBI against this order. However, a private petition against the CBI’s closure application is pending in the Supreme Court. It is to be noted that it was no one’s contention, not even the persons being investigated, that the documents were fabricated. The Indian cyber law had come into force by the date of the High Court hearing, and it is difficult to understand why a computer-printed document, based on a soft copy with a digital signature, is not admissible in evidence. In the alternative, what stopped the CBI from getting a statement from the Swiss investigator, duly notarized by the Consul in the Indian Embassy, that the documents had been generated from their secured computer. It seems

extraordinary that such a significant case has been allowed to peter out on such a trivial point.

The period spent by me in the field of law enforcement saw a marked change in the nature of cases being investigated. The nineties saw a proliferation of commercial and corporate crime. The Indian law enforcement agencies for economic crimes had very little experience in this field. In the Enforcement Directorate we scarcely had an investigator who could intelligently read a company's annual accounts. In our Directorate, the operators were more experienced in seizing cash foreign exchange involved in kerb-side transactions, or seizing the kuccha accounts of hawala dealers. But, in that period it was becoming obvious that the nature of illegal foreign exchange transactions was changing. Larger numbers of transactions, and larger tainted amounts, were found to be moving through the regular books of account of corporate houses and through formal banking channels.

The lack of experience in investigating commercial and corporate crimes was equally common in other investigative/intelligence agencies. The matter relating to the Bofors case had another interesting tale relating to the appreciation of evidence. The team which went to Berne to collect copies of documents from the Swiss authorities included a third member, a Joint Director of the CBI. He was an elderly gentleman, seemingly sincere and dogged, but trained in old-world crime. His expertise must have been in the areas of murder, kidnapping, dacoity, fraud, forgery, misappropriation and such other staple items. Commercial and corporate crime was alien to him—he may have been facing difficulty in deciphering his own bank passbook.

When the Swiss authorities handed over the documents to us, we were naturally impatient to read them. We were all studying our separate documents, and some time went by in silence. Then I noticed that the Joint Director was getting restless. Losing his patience, he turned to me: 'Look Sir, there is not just one payment, there are several payments.' I took his document and studied it closely. There was an entry of a payment into the joint account of the two personalities widely mentioned in the media, in connection with the Bofors case. The first entry was contemporaneous to the date of the Bofors deal. But after that, every three or four months there were other entries, some debit and some credit, in different currencies. What were these? After some time the truth dawned on me. The account-holder was playing the foreign exchange market, switching from one currency to another, depending on where he earned an arbitrage margin. This is something which is routinely done by high net-worth individuals. I had to disappoint my friend, the JD from CBI, that unfortunately there were not many scams, but only one. It struck me that our friend from Bihar had never in his career encountered transactions of this sort—the people he investigated in Patna either kept illiquid benami accounts, or kept their money under the mattress. Taking kickbacks, and then playing the foreign exchange market to enhance the corpus, was a strategy not known to them. With greater exposure to commercial crime in the last decade or so, intelligence/investigative agencies have gained experience in economic crimes. In the future, it can be expected that the bulk of economic crimes would be in the stock exchange, banking sector and commercial sector.

The drama relating to the retrieval of the Bofors papers had one last act where Tiger again starred. When we were packing for our return trip from Berne, the question arose of how to carry the documents back safely. Tiger anticipated a prime photo-op back home. He got some huge paperboard cartons from the embassy and had the Swiss documents packed in them. The JD, CBI and I were both

uneasy with this arrangement. The media had been following the visit of the team to Berne closely. We could expect a crowd from the media at the airport on our return. In the push-and-pull with the media at the airport, there was a real risk of being separated from one of the cartons and losing the documents. It would be impossible to live down the disgrace if, after all the fuss, we returned one carton short. I suggested that the documents be placed in our suitcases while the cartons could just be carried for appearance. I recognized the need for some tamasha at the airport—a crowd of representatives from the media could be expected to meet our late-night flight, and since none of us was going to answer any questions, the least we could do was to organize an interesting photo-op. Tiger saw the point; in any case he would have his huge cartons to show to the media. As agreed, the cartons were filled with balled-up newspapers and securely sealed with plastic duct tape, while the computer printouts were distributed between the suitcases belonging to the JD, CBI and I. On our arrival, as expected, we were completely swamped by the media. Tiger led the way with one huge carton, giving knowing smiles and gesturing conspiratorially to the photographers; I followed with the second empty carton. No questions were answered. Yet, the media got something for their effort—the next day's papers showed Tiger and I beaming broadly with the war trophies in our hands. The original documents were deposited in the government safe custody. Later, I sent a report to the Cabinet Secretary spelling out the process through which the documents had been obtained.

Treasures from Sleuthing

CRIME AND PASSION

To retain equanimity as the Director of Enforcement one needs a very thick hide. Every so often, people who matter in the political arena complain of vexatious investigations and blackmail by the investigators of the Directorate. In defence of the investigators I can say that the cases against the bigwigs are not always imaginary; there would invariably be a core of substance under which the particular VIP was being investigated, but sometimes it was true that the case was being used by the investigating officer for his own gain. Complaints often came in the form of written allegations addressed to the Prime Minister or Finance Minister. These were generally passed on to the Directorate for necessary action; in some cases the ministry asked for a report. The Finance Minister seldom personally tangled with such issues; Ministers had learnt from experience that, if you asked too many questions, you were likely to be embarrassed.

In this scenario, it came as a surprise that the Finance Minister summoned me one day in a state of acute agitation. He began by saying that the enforcement personnel were rampantly abusing their powers. There were frequent complaints of the use of third degree methods and blackmail. I knew that any general condemnation of the Directorate could be traced back to some specific pinprick that was hurting a particular individual. I asked the Finance Minister to tell me who had complained. He mentioned the name of a prominent lawyer-MP. That was a period when the Congress (I) was running a minority government under Prime Minister P.V. Narasimha Rao. Rancour in the heart of even one MP could be life-threatening for the government. This lawyer-MP was known to be particularly aggressive. The Finance Minister gave the name of a lady, who, the lawyer-MP claimed, had been framed by the Enforcement Directorate. A false detention order under COFEPOSA, the preventive detention law, had been issued. The Finance Minister, who was normally phlegmatic, showed great agitation, in this case, at what he called a brazen abuse of power. I had learnt from experience that almost every case had some basis; it was more than likely that the Finance Minister had been provided the facts selectively by the lawyer-MP. Since, at any point of time, there were thousands of cases in the Directorate, it was not unreasonable for me to say that I would have to refer to the records. The Finance Minister had no objection to that, but asked me to report to him directly as the lawyer-MP was a personality no minority government could trifle with.

I did look into the case promptly and what was revealed was extremely juicy. The offence dated back to a time when there were strict restrictions on foreign exchange transactions. Import of books and periodicals attracted a heavy duty. However, waste paper, for recycling into pulp, was encouraged with a token duty. The lady featuring in this case had noteworthy entrepreneurial talent. She had set up a system of importing goods, which in the customs documents were listed as waste paper. In fact, the goods imported were remaindered books from foreign sources that were in perfect

marketable condition. After receiving the consignments, this enterprising lady retailed the books in the Indian market. The Directorate of Revenue Intelligence of the Customs Department caught on to this racket. A large consignment of misclassified, marketable books was seized. Investigations showed the lady had always retailed the imported books in the Indian market; none of it had been pulped and recycled for manufacture of paper. The lady had been arrested, but secured bail. The lady's counsel had been none other than the same lawyer-MP who had complained to the Finance Minister. At the bail stage the lawyer-MP had enacted a veritable drama in the court, alleging all manner of maltreatment of his client during her remand period. Thereafter, the lady jumped bail and was missing for seven years. Since there was evidence of several repeat offences in the immediate past, a detention order had been issued under COFEPOSA. Efforts to trace the delinquent for serving the detention order revealed that she had fled the country and was in the US. Jumping bail and evading a COFEPOSA detention order is a serious criminal offence. When the Directorate had been trying to serve the detention order on the lady, their investigation had revealed that the lady was an intimate companion of the lawyer-MP who had been defending her so zealously. His passionate performance in court was not due to just the discharge of his professional duties. Indeed, my enforcement officers were very riled by the allegations made by the lawyer-MP and openly asserted that they were unfounded and clearly motivated by the close emotional links he had with this lady, rather than on the evidence of the case. I went through the evidence carefully and found no basis for the sweeping complaints made by the lawyer-MP who has a colourful reputation. In fact his unusual zeal in pursuing this case fitted in neatly with the story my boys had to offer.

I still had to explain the position to the Finance Minister. Since the lawyer-MP had no compunction in mixing personal with professional considerations, I decided to be forthright with the Finance Minister. When I called on him, I did not hold back anything on grounds of the delicacy of the matter. I gave the facts—most of them were incontestable documents—and also spelt out the personal relationship that this lawyer had with the lady. I told the Finance Minister that, perhaps, he did not know that the lady had jumped bail and was absconding for seven years. The lawyer-MP had seen the vulnerable condition of the government, and probably thought that he would be able to force the Finance Minister to withdraw the preventive detention order. The Finance Minister did not expect such a turn to the story. He was a dour personality, not given to any emotional distractions. But in this case he said: 'Whatever be the MP's relationship with this lady, your officers are predators.' I was not prepared to take this lying down. 'But, Sir, it hardly lies in the mouth of the MP to make this sweeping complaint, given his conflict of interest,' I protested. The discussion closed there, abruptly.

FOUL TACKLE

When relying on sources that by nature are undependable, all information obtained during investigation from this or that source has to be screened for its inner consistency and veracity. If this was not done and each lead is blindly followed, one would find oneself over the cliff in no time. One also has to be cautious and keep in mind that peer jealousy and political bias can vitiate any information. One such predicament, arising from the wheels-between-wheels in any investigation, is aptly revealed in the tale narrated hereafter.

In the last three decades or so, a large number of neo-spiritual sects have come into existence. These propagate the old philosophy and tenets interpreted in a contemporary form. The leader of these sects is often an individual with some charisma who has the talent to interpret the old texts in a contemporary idiom. The followers of these sects are often extremely talented personalities living modern, material lives. The recreated philosophy satisfies their spiritual hunger. Their commitment to their sects is impressive and they easily mix their modern professional life with intense spiritual faith. The intensity and passion of their beliefs sometimes leads to unforeseen situations.

When I was the Director of Enforcement, I got a call one day on the RAX from the then Army Chief. He mentioned that a foreigner would be visiting Delhi from Geneva shortly. His information was that this man would be carrying incriminating documents relating to the foreign financial transactions of a leading personality of the Congress party. If we seized that information from him, it would be very useful. He gave the name of the foreigner and the flight details. I was intrigued by this phone call. The Army Chief does not normally call the Enforcement Director on the phone. It also seemed unusual that such information came within the network of the military intelligence operations. Moreover, even if some information had come to the notice of the military intelligence, why was it not conveyed in writing at a lower level? The Army Chief had specifically said that there would be no written follow-up. Shortly after that, the substance of this message was repeated by a Joint Secretary-level officer of the Planning Commission—this individual did not even pretend that the information had come to him in the course of his official duties. He said much the same thing as the Army Chief, but filled in some more details. The foreigner who was coming was originally a member of their sect—he mentioned the name of the sect—and had betrayed the organization in Europe, for which he was expelled. He was now serving as the agent of this pre-eminent personality of the Congress party. The reported date of arrival was a few days away. This particular officer from the Planning Commission offering information seemed a novice at the game. He appeared over-anxious to push me into immediate action; the Army Chief, on the other hand, been cool and professional in his talk.

I was certainly uneasy with the developments. Reliable information does not usually drop into one's lap in this fashion. The Army Chief and the senior officer of the Planning Commission conveyed more or less the same information. The spiritual sect that had been mentioned was known, and could be said to be in the Hindu tradition—it had a relatively small following, though the members were the cream of society. The head of the sect, strangely for Indian society, was a woman who had been born in a Christian family. Her husband was a well-known international civil servant. The sect presented traditional spiritualism in a contemporary form, which the elite followers found satisfying. It was only known for its benign spiritual activities and had never come to the adverse notice of any of our agencies.

A day before the indicated date of arrival I got a message from my contact in the Planning Commission that the travel plans had changed, and that the person would come one day later by another flight. A small team had been put together in the Enforcement Directorate, though they were given a strict wait-and-watch brief. The team confirmed that the person with the name given to us had not boarded the flight on the first indicated date; they were told to keep track of the second flight.

My unease over the developments grew by the hour. Unknown forces were leading us on and we did not know how reliable they were. I thought I would share my problem with the CBI chief, Vijay Ramarao. He was a person I had great respect for—he was an extremely well-informed person and a thorough gentleman. Hailing from Andhra Pradesh, he was known to have the ear of the Prime Minister, P.V. Narasimha Rao. I met him and shared the essentials of the tale. He was quiet for a long time and then asked: ‘And what are you proposing?’ I explained that I had no plan of action as I was uneasy with the source of information. The foreigner could well be a plant of the very group that was egging us on. If he was sent with documents to incriminate a political personality, and these had been seized by us on their prompting, there would be a free-for-all. If the documents were true, then of course, no matter what the consequences, we would proceed with the investigation; but if the documents were false, there would be an uproar and allegations of political skullduggery. It would take several months to check the genuineness of the documents, and no matter what the final outcome was, both sides would slander our Directorate. Moreover, the circumstances made the supposed documents suspect: after being informed that an unidentified person would be carrying documents incriminating a leading Congress party personality, we were expected to seize them without any corroborating facts. It seemed too much like a trap. However, the fact that this information had come through the Army Chief could not be ignored. Vijay Ramarao heard me out intently, then with a wicked smile he raised his forefinger and twirled it in a circle, whispering—‘Lunarswami.’ For a few moments I did not catch it, and then the penny dropped—‘Chandraswami?’ He was then a leading swami in the political orbit, known to be close to the Prime Minister. The Prime Minister, though from the same political party, was perceived to be not on the best of terms with the pre-eminent Congress personality. The Congress personality’s discomfiture, if incriminating evidence was revealed, could be the Prime Minister’s comfort. Could it really be that the ‘Godman’ had made this move to strengthen the Prime Minister, with or without the Prime Minister’s approval?

The discussion then entered a more practical plane: ‘What do you want us to do?’ asked Vijay Ramarao. ‘Would the CBI join us in this operation?’ I asked. Vijay Ramarao thought for a while and then said yes. In retrospect it was very sporting of him. He probably agreed because he saw that I needed some hand-holding. He could have taken the position that it was not his case, and so why should he bell the cat, particularly when the trail, even though indistinct, led towards the Prime Minister. As a result of this, on his instructions, a team from the CBI was associated with our team in this operation.

The story, as it spun out, only reinforced our doubts about the genuineness of the information. The foreigner arrived by the second indicated flight. He was tailed continuously for about ten days. First he checked into the YMCA on Jai Singh Road. He seemed to have no particular business at hand; he made no effort to cover his movements. He generally wandered around window-shopping in Connaught Place, leaving his baggage virtually unprotected in the YMCA hostel. It was almost as though he was trying to invite us to seize his baggage. Our team had been told to hold back till there was some clear indication. One night, after midnight, he suddenly bolted from the hostel in a cab and drove away. He seemed to be heading for the airport and our men feared that he was fleeing the country. Should they jump him before he left the country? Our car could not tail him as its headlights

on the empty road would have given them away. Our team held back as the road only led to the airport. The tailing team reached the international airport some fifteen minutes after the target. Some rapid footwork assured our operators that the foreigner was not boarding a flight. He went to a foreign exchange dealer, changed some hard currency and then headed back to the hostel. Two days later he shifted to a budget hotel in Karol Bagh. Here again he had no visitors, no activity. It was as though the person was repeatedly offering himself for a search, so that the documents he was said to be carrying could be seized from him.

By about the tenth day our strong impression was that the information was a dud. I discussed it with Vijay Ramarao and he agreed with my suggestion that the watch should be lifted. Our operatives had only been given limited information on the basis of the principle of need-to-know. They were baffled about why we had persisted for so long on this unpromising target. Diwali was also approaching and they were anxious to join their families. So, finally one evening, we just lifted the watch.

This was clearly a case of a foul tackle—a *langri*. The persons from the establishment, who had tipped us off, did not get back to us. Perhaps, our extended watch made it clear that we were not going to walk into a trap. In retrospect, I am convinced that we saved ourselves from a major embarrassment. The entire affair had the clear characteristics of a hatchet job on the part of some rival of the targeted Congress party personality. How the two serving officials from the government came to have a role in it never became clear; the charitable interpretation would be that they themselves had been taken for a ride.

ENFORCING LAW: SETTLING SCORES

Different Finance Ministers have differing work styles. Some interfere constantly in the working of institutions under them, even if these are investigative agencies. In my tenure as the Director of Enforcement I reported directly in operational matters to Dr Manmohan Singh, the then Finance Minister. It was the long-standing practice in the Directorate of Enforcement that only for administrative matters (transfers, postings, leave, monthly progress report, etc.) the Enforcement Directorate reported to the line-up in the Department of Revenue. The operational matters were largely carried out independently. If at all the ministry wanted operational information, for reasons of operational secrecy, this was provided directly to the Finance Minister; operational matters were never routed through the Department of Revenue.

I must say that during my tenure, Dr Manmohan Singh intervened in very few matters. As I have mentioned earlier, I came into the Directorate just after the Securities Scam broke out. The Finance Minister was, for obvious reasons, keen to maintain a distance from the operations of the Directorate. The massive scale of illegalities committed in the financial and banking sectors was principally on account of the lapses, and in fact in some cases, deliberate collusion with the irregularities, by the pundits of the Finance Ministry. There was no explanation for this magnitude of economic crime. The Finance Minister was most comfortable when he could say that the CBI and the Enforcement Directorate were investigating the offences, and that the law will take its own course. However, he did show unusual interest in certain matters and found it necessary to intervene in these.

One day he summoned me and, after some general conversation, said that he had information about

large-scale hawala transactions being carried out by certain racketeers. In the course of this, he let it be known that this information had come through a certain Cabinet Minister. He gave me a slip of paper with a handwritten name and address on it—Rajesh Jain residing in Mumbai. The Finance Minister said that the person living at the mentioned address was a large-scale foreign exchange racketeer. He wanted a very discreet but thorough investigation; he went to the extent of saying that the team should be sent from Delhi, and that the local office should not be involved in the operation. Given his temperament and his work style, the instructions in this case were out of character.

I discussed the matter with my senior colleagues. We all agreed that it was unusual for the FM (the Finance Minister), to mention a matter in such detail. The fact that the information originated from a rather dodgy Minister, raised some worry over its authenticity. While the Minister, with his known antecedents, could certainly be privy to information of this type, the point of interest was why he chose to pass it on, and that, too, through the FM. An experienced team was put together and the members were asked to stand by for an operation outside Delhi. It was only when the team reached the airport that they were informed that they were going to Mumbai. The team was led by our Special Director, a very seasoned and balanced enforcement officer. The team had been advised to recce the premises and to try to obtain local information on the activities of the targeted person. For the first three days our efforts bore no success. There was no particular activity at the flat under observation. There were also not many phone calls to the house, and the few made or received were of a domestic nature. The team leader reported that there did not appear to be anything suspicious about the targeted person and no incriminating leads had been picked up. The question rolling around in my mind was—why had this name and address been given by the Minister to the FM, and why had the FM gone out of the way to direct me to carry out this operation. Given the unusual circumstances of the case, I had decided, in consultation with my Special Director, the team leader, that we would strike only if we picked up something suspicious in our preliminary snooping. The worrying part was that, if we decided to call off the operation, we would have a difficult time in explaining to the FM why we disregarded the suspect named by him. Of course, the transparent answer would be that we found nothing incriminating in our preliminary investigation to warrant a search of the premises. However, we all know that in the real world, finance ministers are not used to hearing such replies.

On the fourth day there was a minor breakthrough. In one of the intercepted telephonic conversations a foreigner spoke to our target. He talked of having brought the consignment of therapeutic drugs, and said that he would come some time later to deliver them and pick up the payment. Later in the day some others also spoke on the phone in coded language on the same subject. A discernible picture was now emerging. The target seemed to be a dealer in smuggled therapeutic drugs—he bought these drugs from foreign carriers on payment in foreign exchange and retailed them in India at a large margin. Though it did not seem such a big operation, it certainly was a violation of the foreign exchange regulations. I gave the Special Director a go ahead to strike.

The first few hours of the search were unproductive. The target appeared to be a middle-class businessman dabbling in different types of trading, depending on what was profitable at different points of time. The documents initially seized and scrutinized were nondescript. As it often occurs in such operations, just one lucky break changes the course of the investigation. The target was asked

who had phoned him the day before. At first he said that it was an acquaintance from abroad. The target was put through what, in the language of the Directorate is called, sustained interrogation, whereupon, he spilt the facts. He produced from his mess of papers an account sheet covering the transactions over about two months. Foreign carriers brought in consignments of high-value therapeutic drugs, which they sold to him in foreign exchange. The accounts of two months were for over thirty-two crore rupees. Foreign exchange of a value of over four lakh rupees was found in his flat. The news was conveyed to me and the investigation continued. I was relieved. On objective considerations, the information of alleged illegal transactions, coming from that particular Minister, even if through Dr Manmohan Singh, was a little dodgy. If nothing was found in the search, we may have had to offer some explanation. Did we normally respond to uncorroborated information by sending a team from Delhi to Mumbai to cover a suspected dealer in smuggled therapeutic drugs? The investigation continued smoothly. The foreign supplier of Rajesh Jain (our target) was Franco Sartori, a Swiss businessman. Sartori arranged human carriers to smuggle the drugs into India. Rajesh Jain then sold the smuggled drugs to Indian retailers against payment in foreign exchange. They were confronted with the seized accounts. Some admitted the transaction, others held out. With some admitting the purchase of drugs against payments in foreign exchange, the offence under foreign exchange regulations was established. Some of the down-the-line-purchasers were from Delhi. The relevant information was passed on to our Delhi office for follow-up. On the face of it, our action had been successful, and we were relieved.

The follow-up in Delhi created its own interesting trail. One of the down-the-line buyers, Ranvir Jain, had an office on Barakhamba Road. His firm claimed to provide legal consultancy. Strangely, the promoter of this consultancy was not a lawyer. The promoter was a man-about-town who had interesting contacts. The firm's letterhead claimed that it was a consultancy, but that was a euphemism for wheeling-and-dealing in customs and excise matters. When our Enforcement Officer met him and asked about his relationship with our Rajesh Jain, he got a mouthful for his pains. Ranvir spoke as if he was interrogating the Enforcement Officer rather than the other way around. He threw names around in all directions—he knew an important Congress party functionary; he knew senior Congress Ministers; and he knew a Governor in one of the north-eastern states, who was a favourite of the Congress party. Our Enforcement Officers are quite used to having names flung at them. If a person does not have powerful contacts, he is not qualified to be a hood. The Enforcement Officer told him that everyone questioned by the Directorate claimed powerful contacts. Chastened, but only for a moment, Ranvir asked the officer whether he wanted more proof of his contacts. The Enforcement Officer wanted to draw out more from this unusual character, and said yes. Whereupon Ranvir took out a tape-recorder, fished around in his drawer, took out a tape and started to play it. The recording was of a telephonic conversation—on one side was our Ranvir, while on the other side was an unidentified voice. The two seemed to be very chummy and spoke with easy familiarity. They were discussing some action they had planned.

Our Ranvir said: 'Bhaisaheb you have not remembered me for long. Are Governors so busy?' The voice replied: 'You have done nothing. I told you how important it was. I had mentioned you very favourably to dada. Now, how will I face him?' Our Ranvir said: 'My man backed out. I did not

expect that. Anyway, I know how to fix him.’ The voice on the other end said: ‘The matter was important. What is the use of fixing him now? That does not help us.’

The taped conversation continued for twenty minutes, some of which the Enforcement Officer could understand, but he could not get the context for the rest. Switching off the tape-recorder, our Ranvir turned to my Enforcement Officer and asked: ‘And who was that?’ The Enforcement Officer did not know and admitted as much. Our friend then mentioned the name of the Governor of a north-eastern state. The officer asked what they had planned to do together. Our target smiled: ‘The government is desperate on account of the securities scam—they want to deflect the heat. Some BJP leaders have to be fixed.’ ‘And who will help you?’ asked the Enforcement Officer. Our Ranvir replied: ‘My man in Mumbai. He is in this business; he can fix anyone. But this time he lost his nerve and you saw what we did to him. He would not cooperate and I fixed him—he will rot in jail. I have friends; they need me and I need them. He will regret crossing me.’ Ranvir continued his harangue, with many threats and many names.

My Enforcement Officer realized that the events were taking an unexpected turn. I knew that he had not been given the entire history of the case but he understood that this was not a straightforward matter. Having been grilled by the JPC, I knew more. The Chairman had asked during the hearing about some recorded conversation with a Governor. He kept saying that it was to set up a deal to trap some opposition leaders. Could he possibly have been referring to our Ranvir’s tape? Some sensational reports had also come out in the newspapers about this alleged plot. I was asked about this when I had known nothing and could honestly say that I had no information. However, from a retrospective view, I increasingly began to suspect that our Ranvir’s boasts were not all delusory. Incidentally, this incident also finds a mention in the Report of the JPC in which the MPs of the Congress party have vehemently gone on record through an additional note asserting that the issue—which was raised in the course of the hearings—is outside the purview of the terms of reference of the JPC! Such rebuttals are normally only filed when there is something serious to cover up.

As the investigation progressed, the strands seemed to come together. The government, stung by the securities scam criticism, was at its wits’ end. Some freelancing loyalists in the party decided to intervene. In their thinking, if some of the opposition personalities could be dragged into a controversy over hawala transactions, attention would be diverted from the securities scam. Political personalities from the opposition used hawala dealers as much as those of the ruling party. The intention was to find a hawala dealer who would play their game and implicate some of the Opposition leaders. The Minister was looking for some suitable player; the Governor of a state in the north-east, who prided himself for being street-smart, offered his services. This Governor sought out his old friend from Barakhamba Road to organize the play. Our Ranvir tried to persuade his old business contact in Mumbai to do it with the assistance of Franco Sartori, but Rajeshbhai backed out. The incriminating affidavit that had been prepared and signed by Sartori never came to be authenticated. Newspapers of the period printed lurid accounts of the conspiracy and reproduced the taped telephonic conversation between the Governor of the northeastern state and Ranvir Jain that incriminated the conspirators. A number of people were left looking foolish—a Governor, a Minister and our Ranvir Jain from Barakhamba Road. They decided to settle scores.

The man in Mumbai was a soft target as he was in any case a regular dealer in smuggled therapeutic drugs. A Minister was commissioned to plant the Mumbai hawala dealer's particulars on the unwitting FM, who in turn, passed on the name with other details to me. The law came to be effectively enforced against the fixer in Mumbai; simultaneously, the plan to settle scores with Rajeshbhai also happened to fructify.

This chain of events underscores the dilemma of the investigative agency. Invariably, information on crime from any source is loaded. The informer has some vested interest in providing the information. The information never comes from a reliable human being, and never comes without some gain to the informer. In this case, we did enforce the law, and that was in public interest. But, had we known the real objective behind providing the information, we may have avoided it, or at least avoided this timing. After all, it was not impossible that the entire operation would fizzle out. In such circumstances, if someone demanded to know why we mounted such an elaborate operation on such flimsy information, we would have been hard put to defend it.

In the World of Finance

MADE-TO-ORDER SECRETARIES

I served for one year and participated in the formulation of one Budget (1998–99) as the Secretary, the Department of Revenue, in the Ministry of Finance. The Finance Minister was a former bureaucrat—Yashwant Sinha—who had voluntarily retired from the IAS as a Joint Secretary to join politics. One would have expected to enjoy shared values with someone from the tribe, but this was a hope that was belied. I was not an exception because, as events showed, he was ill-at-ease with any senior civil servant. During his term of four years, Yashwantji required four Revenue Secretaries; he also changed the Secretary, Department of Economic Affairs and the Finance Secretary in that period. None of these changes was the result of normal retirement. Considering that there were three Secretary-level posts in the Ministry of Finance at that point of time, this was an exceptional turnover rate. What a shame that so many of us failed to meet Yashwantji's expectations, professional or otherwise. His preference for made-to-order Secretaries probably makes Yashwantji one of the earliest fashionistas in this sphere—what he pioneered has now become the casual fashion of the day.

I had succeeded the redoubtable N.K. Singh as Revenue Secretary. NK had been Yashwantji's *bête noire*. It will be recalled that in the NDA regime, the race for the Finance Minister's slot had been between Jaswant Singh and Yashwant Sinha. Yashwantji won the nod from the ideological mentors of his party, and got the coveted post. Yashwant Sinha and Jaswant Singh remained rivals in the perception of all political observers. NK was supposed to be the trusted advisor of Jaswant Singh on the Rajput net, and was always suspect with Yashwantji. One of the first things Yashwantji managed was to get NK out of the Finance Ministry.

Once, when discussing the documentation of the annual Budget, Yashwantji particularly stressed that I should be careful with the fine print of the notifications emanating from the Budget. As is known, the significant decisions are announced in the Budget, and then put into effect through government notifications. I was surprised by the Minister's remark. I said that I was always careful with the minutiae and asked why he had raised this point. He then asked me whether I had seen the notifications and the amendments to the notifications that had been issued for the last Budget, that is, the Budget when NK was the Secretary. He added that if I saw them, I would find that the sheaf of amendments was thicker than the sheaf of original notifications. Yashwantji hinted that this fiasco had been engineered by NK at the instance of Jaswant Singh to show him in an adverse light. I must say that Yashwantji's suspicion seemed very far-fetched. NK is a master strategist, no doubt, but he is not the sort of civil servant who would dirty his hands with notifications—that would be left to lesser mortals! Later, I indirectly asked one of my officers whether the number of corrigenda in the previous year was unusual. He admitted that it was true. I asked him how that had happened; the officer simply threw up his hands and said: 'What to do, Sir?' In the event, I assured the Finance Minister that I

would be careful—after all, after countless years of note-writing, the one thing I was really trained to be, was a ‘draft animal’! Yashwantji thought he had got rid of the pain in his neck by seeing NK out of the Department of Revenue. In fact, NK as the Secretary in the PMO got a better opportunity to snipe at the Finance Minister, and this time from under cover.

Having a Minister who was a former civil servant, held out hope that the time-respected practices of a hierarchical bureaucracy would be faithfully adhered to. Here again, hopes were belied. The Finance Minister quietly adopted the market practice of identifying the weak links in the chain of command, and using them to push forward his interests, completely bypassing the rest of the chain of command. The concept of unity of command apparently exists only in management textbooks. As a result, we observed the phenomenon of having a bureaucratic star of the week, who was picked outside the line of command and used, and thereafter discarded, before the week was over. Standard institutional practices were also discarded in order to make short-term political and personal gains. Needless to say, it left the organization completely enfeebled.

DISJOINTS IN FISCAL INNOVATIONS

As a part of the economic reforms programme, several policy innovations have been considered over the last two decades. Here I would like to highlight two—the Double Taxation Avoidance Agreement and the proposed new Goods and Services Tax. The former has been grossly abused in the past, and the latter poses a serious risk in the future to the well-settled Centre-State constitutional relations. The key issues involved are discussed hereafter.

Taxation Evasion Agreement!

A principal strategy in the economic sector has been one of integrating with the global economy by setting up special mechanisms for creating a congenial climate for greater intercountry capital investment. One of the instruments used for this goal is the ‘Double Taxation Avoidance Agreement’. The ostensible objective of this is unexceptionable. If foreign investors want to invest in India, they should not be burdened with paying direct taxes in both countries; a similar logic applies to investors from India wishing to invest in a foreign country. With such an inter-country agreement, the space for investment in different countries, looking to the comparative natural advantage, broadens in a mutually beneficial manner. India has entered into such double taxation avoidance agreements with some seventy countries. Quite often, with some of the small developing countries, this is without any real prospects of cross-investment. Entering into agreements in such cases is used as a gesture of goodwill—any numbers of double taxation avoidance agreements have been entered into by India merely to provide an item on the agenda for discussion, and to give a photo-op to the visiting dignitary from a foreign country. However, like many good intentions, this initiative was turned into an innovative scam by the fixers.

The classic example is that of the double taxation avoidance agreement with Mauritius—a country that certainly comes within our strategic zone of influence. Prima facie, the double taxation avoidance agreement shows up as a mutually friendly gesture. However, for a decade-and-a-half now, there

have been widespread complaints and increasing evidence that this agreement has been used to bypass the direct tax laws of India. The capital gains tax in Mauritius is nil and the income tax rate, after set-off, is very low. The tax on income and short-term capital gains is significant in India. Foreign institutional investors (FII) investing in the Indian stock market were reported to be nominally routing their funds through a Mauritian corporate entity, to gain tax exemption for their profits from speculation in the Indian stock market. The investors coming through Mauritius undertake virtually no corporate activity in that country. One has heard of business entities renting table space instead of office accommodation for carrying out commercial operations. In Mauritius, however, it has gone beyond even this and reached a virtual form of table space—it is merely a postal address of a business entity registered in Mauritius, without the physical existence of even an office table! The instructions for operating the entity's account in Mauritius are issued from outside the country. No part of the investing entity's operations are carried out in Mauritius, but by using the address of the registered office in Mauritius, the investment in India is claimed to be protected under the double taxation avoidance agreement. In effect, and without the slightest exaggeration, the agreement operates as a 'Taxation Evasion Agreement'!

The FDI investment in India coming through Mauritius in the period 2000–11 has been 41 per cent of the total FDI received in the country, an astonishing amount, to say the least. The Indian income tax authorities initially did raise a tax claim against the FIIs on the grounds that the investing entity did not have a permanent establishment in Mauritius and, therefore, was not entitled to exemption under the double taxation avoidance agreement. The matter went into prolonged litigation and finally the Supreme Court upheld the FII's contention that registration of the investing entity in Mauritius, and the issue of a certificate to that effect by the Mauritian government, was sufficient to claim the exemption. It ruled that the tax authorities were not entitled to probe behind the certificate of registration issued by the Mauritian authorities to determine the location of the permanent establishment of the entity, and thereby the real identity of the owners of the assets. One would not like to cavil with the Supreme Court on its legal ruling, but one is certainly entitled to examine the potential for furtherance of public interest, or otherwise, through such a double taxation avoidance agreement. After all, every initiative that is legal need not be adopted by the government, if it is not found to be in public interest.

This investment route has not been used even minimally for bringing in home-grown FDI from Mauritius. Not one greenfield investment has been made in the country through this provision funded from home-grown resources—not even a cycle-tyre-puncture repair kiosk. The principal objective of facilitating cross-investment in the two contracting countries has not been achieved even in a token form. Yet, legal entities routing their funds through Mauritius for speculating in the Indian stock exchange are exempt from short-term capital gains, while Indian investors in the stock market are subject to short-term capital gain.

The tsars of the economy will tell us that there are many reasons why FII investment has to be welcomed in the country. The Indian stock market by itself is an illiquid one. Most middle-class individuals who own shares sit tight over them, only hoping for dividend and bonus issues. Because of the low volumes of transactions of the Indian shareholders, entry and exit into the share market is difficult. One of the objectives of the government is to create a situation in which entry and exit into

the market becomes simple, so that ordinary people with limited resources are encouraged to opt for equity returns, rather than fixed returns they have been habituated to over the years. A stock market with high liquidity would allow the ordinary investors to enter and exit at short notice when they encounter a personal need. To increase the liquidity in the stock market, the government felt that FIIs with deep pockets should be encouraged. With their large funds and frequent forays into the market, they generated a large volume of transactions. This large volume, theoretically, created a suitable environment for discovering the correct market price for stocks, and also provided small shareholders the opportunity to enter and exit the market at will.

All this is accepted, and there is obviously a significant advantage in encouraging genuine FII investment. However, what is beyond comprehension is that we choose to do this through Mauritius. With all respect to that country, Mauritius has no recognizable tax administration. There is virtually no oversight of the economic sector; indeed, a large chunk of the commercial activity is through ‘virtual routing’ operations as carried out under the double taxation avoidance agreement. The operating conditions are ideal for channelizing hot money, as also money where the ownership is clandestine. For any country concerned about its long-term stability and prosperity, both these categories of funds are dangerous. This could be money from all manner of dangerous activities—currency speculation, drug running, running of arms and other lethal products and human trafficking. No one is suggesting that the government play the moral watchdog over foreign corporate activity. However, a nexus with such dangerous activities raises the risk of the same investing entities using the funds for undermining core institutions and processes in the country, thus endangering our sovereignty and other seminal State values. On principle, a country like India should never allow investment through a procedure where the ownership structure remains opaque. It needs to be mentioned that no conceivable legitimate advantage accrues to an investor by keeping the identity of the ownership of the assets under wraps.

The other undesirable aspect is that short-term capital gains for FII funds coming through Mauritius are exempt from tax, while domestic short-term capital gains are not. This is discriminatory to domestic investors; it will result in increasing dependence on the volatile FDI investments. In fact, there would be a positive incentive for Indian business to ‘round-trip’ their black money through hawala, for re-routing into the secondary stock market through opaque FIIs. Obviously, a differential capital gains tax rate between FIIs and domestic investors is indefensible.

Dependence on FII funds for maintaining liquidity in the stock market is a double-edged sword. Though, in favourable times, this may bring in large volumes of funds, at the slightest economic scare, such entities withdraw the funds in the blink of an eye. In the global financial crisis that occurred in the third quarter of the year 2008, about 20 per cent of the national foreign exchange reserves were depleted in less than a month, as a result of panic withdrawal of investments by FDIs. This is despite the fact that India is one of the countries least hit by the sudden crash in the value of mortgage-based securities. Exclusive reliance on foreign funds to give depth to the equity market is risky—it is best to achieve the depth by having a mix of domestic and foreign investment.

As things stand, the DTAA with Mauritius has not had any favourable impact on the Indian economy; much benefit, though, has accrued to the investors through FIIs, some of whom are the kith

and kin of the tsars of the financial sector.

New Fiscal Architecture

New fiscal architecture is a fashionable and catchy phrase that has been making the rounds in the global financial institutions in the last decade. A large element of the process of globalization—liberalization would be through the establishment of this new fiscal architecture across the global economies. This mysterious phrase has intrigued me from my days in the economic sphere. What is this concept that is presented by the First World as the magic bullet for development? Considering that the issue is still raging it is surely relevant to unravel it in this memoir.

Today, we have a plethora of indirect taxes at the centre and in different states of our country. These would, inter alia, include central excise duties, customs duties, sales tax, service tax, state levies on goods and services (luxury tax, entertainment tax, toll tax, etc.), surcharges, special cesses, countervailing duties, etc. Complicating the situation even more, each state has its own set of tax rates for different goods which may be different from those in other states. In consequence there was a thick mess of fiscal tariffs that could not be defended on any rational basis. Also, there being no system of set-offs, there was a cascading effect of taxes as a result of tax-on-tax at successive stages of processing. Paradoxically, if one process of manufacture and delivery went through more stages of transactions, the cascading effect increased the net effective tax. This resulted in tremendous opacity in the economic field. Also, neither the government nor the manufacturer, in most cases, had any idea as to the rate of the net effective tax paid on different goods and services.

The Goods and Services Tax is the modality that is expected to bring clarity and simplicity in the indirect tax structure. This envisages a two-level GST—Central Goods and Services Tax (CGST) and the State Goods and Services Tax (SGST). The Finance Commission has suggested the overall incidence—CGST: 5per cent; SGST: 7 per cent. The CGST will have two rates for goods—basic and higher—and one rate for services; the state will have one rate each for goods and services.

At the conceptual level the GST model is very neat, doing away with a lot of irrational and unintended levies. However, it needs to be examined in the real world looking at it through the prism of the state governments' interests. Prima facie, it appears that the span of items coming under state powers will increase as a result of the extension of the state's fiscal powers to services. However, limiting the states' tariff to one rate for both goods and services seems too constrictive a position to accept. The recommendations of the Finance Commission also seem to suggest that the Centre would be determining the rates of the state GST, which would then be notified by the states. Currently, states may have ten or more rates, and dropping these to a single rate may be an excessive shock for the system. Also, while there may be little rationale for using as many as ten rates, the socio-economic considerations may require distribution of goods under CGST over more than two rates and distribution of services over more than one rate. Or, in the alternative, the two rates of CGST for goods, would both have to be pitched very low, which then would raise problems in garnering adequate revenue. In the case of the SGST, if only single rates are to be permitted for both goods and services, the states will not be left with any significant fiscal power.

As a struggling developing country, our fiscal governance has always been based on the differentiated concept of merit and non-merit goods and services. The varying rates of tax were supposed to be rationalized on the basis of the capacity of the end-user to pay. It is evident that the impact of the GST would be more on the lower income groups. Can we really claim that at the present stage we can justifiably place subsistence goods and services, as against luxury goods and services, in the same tariff bracket for the purpose of the GST? The plan to introduce single rates for the GST would depend on the answer to that question.

The impact of this move—of introducing the GST uniformly over the country—needs to be seen in context. At the time of Independence, India was not a unified political entity. As former colonies of the British Empire, the integrating states were bound by a certain emotional solidarity that was expected to provide the adhesive in bringing together the disparate political elements. The sensitivity of the operations to bring together these disparate entities into the new Union of India has been recounted often enough. The consolidation of the Union of India was contingent upon many understandings and promises as to the future relationship between the new Union of India and the merging political entities. Many of these understandings and assurances are incorporated in the spirit and letter of the Constitution. The Constitution was designed as a federal one with some significant unitary features. The Constitution provided for a distribution of duties and powers between the Centre and the states. The legislative and fiscal powers of the two limbs of the State (Centre and states) are listed in Schedule 7 of the Constitution. The states have never been satisfied with their share of powers under the scheme of the Constitution. Of late, fuelled by linguistic and social aspirations of small identity groups, the tension between the states and the centre over the sharing of powers has heightened. There has also been a growing demand for the creation of new states by a division of large existing ones. Whatever shape and form the GST finally acquires, it should be ensured that it does not tilt the balance of fiscal powers further in favour of the centre vis-à-vis the power of the states. There is no good reason to believe that the central government is endowed with a fiscal understanding, or efficiency in making public expenditure, that is superior to that of the state governments. Through esoteric models of fiscal architecture, economists may gain much satisfaction in obtaining production efficiency, but all this would come to naught if disaffection grows in the federal components and threatens the unity of the country. Though the discussions on the GST have been going on in the EGoM for several years, the thinking there has been mainly driven by the secretariat serving the group, which has been dominated by the Ministry of Finance. It is only recently that the states themselves have started rigorously considering the implications of the proposed GST fiscal regime. So far the protagonists have happily revelled in the scheme in grandiose language. Now, the states will ask hard questions. The central government needs to be prepared for much redesigning of their GST model, before the states stand reassured that overall the composite deal is a fair and balanced one.

It may also be added here that, while the need for the GST is being mentioned as a gospel verity by the tsars of the economy, this system in its pure form is not enforced even in many of the highly developed, First World countries—it is only partially enforced in Japan, Canada, Australia, New Zealand, South Africa, Singapore and Hong Kong. In the US, the sanctum sanctorum of capitalism,

fiscal powers of the states and local authorities are widely dispersed and disparate in level because of their diehard commitment to robust federalism.

The New Theology

In the neo-liberal theology, subsidies are considered a sin. All investments must go where the comparative advantage lies, without being deflected by state interventions. It is an unshakable article of faith that the efficient production of goods and services in the location of best comparative advantage, will benefit all—the tide of growth will lift all boats. Consistent with that credo, all subsidies directed at the poor have gone into disfavour—PDS, fertilizers, interest subsidy to the agriculture sector, etc.

The nineties was a period for significant shift in policy stance; but regrettably, much of that was achieved by bypassing the conventional democratic process. Much of the shift in policy was achieved without legislative consultation or mandate. This was facilitated by civil servants who had discarded their historical role of advising and independently commenting on policy issues. The civil servants had forgotten how to evaluate issues, and had acquired in its place the more subtle skill of anticipating the wishes of the political executive. Every repetition of a policy catch-phrase, every flicker of the eye, came to be accepted as a decision, and was promptly implemented.

The neo-liberal gladiators often claim that politics should be delinked from economic policy. Is that a reasonable proposition? I think that the one point on which we all agree is that in a secular country, politics must be insulated from religion. In that situation, if economic policy is also delinked from politics, what would be left as the principal constituent of politics? One is tempted to challenge the neo-liberals by asking them what, for them, constitutes the desirable content of politics. Spiritualism, maybe!

Broadly speaking, political ideology has to relate to the structure of society and the material world we live in. Economic policy and the approach to the class structure would very much be an intrinsic part of political dynamics. The neoliberal ideologues and the corporates would want these two to be delinked from politics. The liberalized world view was expected to be treated as an unchallenged verity, while politics could occupy itself with the other residuary issues. In fact, to my mind, these two elements—economic policy and class structure—are the key ingredients of politics. Throughout the nineties, the government mouthed welfare policies to gain power, but introduced so-called reform measures through stealth. All along, the tsars of the economy have been insisting that the economic initiatives should be detached from politics—the phrase they used to prettify the proposition was that there should be a national consensus on economic policies. Economic discourse was carried out through borrowed buzzwords and catch-phrases. The intention of the tsars was that the consensus should always converge on their economic belief. The development module was not analytically crafted; it was a bespoke product, with sleek lines and an elegant finish. In this way, economic policy, instead of being a political decision, was converted, through sleight of hand, into a bogus consensus. Ideally, we must attempt a consensus in a transparent manner; and if we fail in that, we

must settle for a transparent majority decision. Economic and social policy lies at the heart of political dynamics and there is no reason to pretend that it is otherwise.

SUBSIDIES—GOOD AND BAD

While examining the anti-subsidy obsession of the reformers, it has to be admitted that some of these subsidies are not well-focused—they do not reach the target group; it is also true that in some instances, with the subsidized and non-subsidized material in the same market, there is immense scope for leakages and corruption. However, if the subsidy is of a deserving nature on welfare considerations, the existence of some leakage should not prompt the withdrawal of the subsidy. On the contrary, if measures are taken to reduce the leakages, some degree of success in the administration of that subsidy is always achievable. For example, the use of a chemical marker for kerosene can reduce large-scale diversion of the product from domestic use, and closer supervision can drastically reduce leakage in food grain distribution.

The malpractices in the PDS are cited by macro-economists as good reason for winding up the subsidy. It is observed that malpractices in the PDS are very much less in the southern states as compared to the northern belt. In the southern states the PDS serves as an effective safety net against severe nutritional deprivation. It would be a very brave person who could assert that a better-run PDS would not be of benefit to the poor of the northern belt. The critics of subsidies that are directed at poverty alleviation at the individual beneficiary level bolster their case by citing the worst examples. If the usefulness of the PDS is to be judged from the outcomes in Bihar and UP, there would be no case for it. But citing the successful examples would lead one to an entirely different conclusion.

All this apart, while stringent norms of cost-effectiveness are demanded for subsidies directed at poverty alleviation, industry-related and corporate subsidies are measured against an entirely different and indulgent yardstick. For new industries, concessions—investment subsidy, employment generation subsidy, sales tax exemption, exemption from various miscellaneous taxes (luxury tax, electricity duty, stamp duty, conversion charge for change of land use, entertainment tax, mandi fee, land tax), free land, capital loans at subsidized interest rates and exemption from labour laws—in some mix, are routinely offered.

Recently, one saw the embarrassing spectacle of different states wrestling with each other to offer more and more concessions in order to grab Tata's Nano car project. It would be educative to analyse, even if only in broad narrative terms, the cost-benefit to the state that offers the concessions. Large projects with modern technology do not generate much local employment. The requirement of specialist skills in high-level professional assignments does not allow any preferential opportunity to the local people—these jobs are footloose jobs and go to the best talent from any part of the country, as they should. The direct local employment from the new undertaking is limited to the semi-skilled ones, which are few in number. There is, of course, some generation of employment in the support services of the tertiary sector—some opportunities for shops, some demand for domestic services, etc. However, as against this is the cost to the state: sales tax forgone over a period of ten years, subsidy in the form of the free land, social cost of displacement of farmers and labourers who earlier

worked on the land, and the enormous cost of degradation of the environment that so often accompanies industrialization.

Gujarat, where I spent my working life, is one state which, over the last five decades, has gone overboard with industrialization, or even more generally, over activities that convert agricultural land to non-agricultural use. Large industrial estates were set up in south Gujarat, principally for water-intensive chemical industries. The chemical industries were high-tech, capital-intensive ones. The industries drew out an enormous amount of groundwater, and after completing the manufacturing process, discharged an enormous amount of toxic effluents. Employment to Gujaratis was minimal and the sales tax exemption ensured that the revenue to the state exchequer was nil. It does not take an elaborate cost-benefit analysis to see that the industries had been set up at ruinous state cost. The products from the manufacturing units were largely high-value products, and consequently, the downstream units did not enjoy any particular advantage by being close to the mother-plant producing the inputs. Certainly, the country as a whole gained by having these production units, but the otherwise canny Gujarati did not realize that it made better sense to pray that the production unit be set up in the neighbouring state! If this happened, the neighbouring state would suffer the effluent discharge and forgo the sales tax, while Gujarat could have availed of the output for further processing in units located in the state.

There are also other areas in which subsidies are routinely given to large-scale industrial enterprises—direct tax exemption to export earnings, write-off or re-scheduling of defaulted project loans, subsidized consumer loans for consumer durable products (for a long period car loans had lower interest rates than agricultural loans), exemption from central and state excise duties, and so on. With such a competition to attract industries—and once the game starts it is natural for all to try to imitate it—the concessions do not constitute relative advantages, but are only in the nature of across-the-board handouts. In the recent imbroglio in West Bengal relating to the Nano car project, it appears that the concessions went to the extent that some were embodied in a secret agreement between the state government and the House of Tata. If the industrial policy requires concessions that the government is embarrassed to disclose to the public, quite clearly the bounds of legitimacy have been crossed. In fact, state policy should discourage such doles and evolve a statutory method of barring them. Such concessions do not facilitate a balanced distribution of industries, as was the original intention, because all states, developed or undeveloped, resort to it. Indeed, if any initiative has the worst features of a State dole, it is the package of concessions to attract industries to backward areas. Despite this factual position, we never find the tsars criticizing the mindless rush for offering concessions for industrial enterprises; but subsistence subsidies directed at individual poor beneficiaries are constantly ridiculed and described as populist.

Even over a medium time range, the practice of offering incentives to industries to be set up in a state is, from any perspective, a loser's game. After a few years of competition between states, almost all the states would have the same package of incentives to attract industries. In this situation, all states are placed on a level playing field, and the decision to locate an industry in a particular place would again depend on the comparative natural advantage. To recall the progression of the industrial concessions: we start off with a level playing field, go through a period of mindless and

self-defeating competition between states by way of grant of incentives, and finally arrive back at the level playing field, though this time with the states paying out enormous visible and invisible subsidies. If anything is ‘populistic’, it is this policy.

VALUABLE PUBLIC INITIATIVES?

In the post-reforms period, it is fashionable to say that in the past the State wasted its resources and time in promoting public sector enterprises. The areas in which the public sector made a significant impact are: oil exploration; oil refining; petrochemicals, mining of minerals and metallic ores; metallurgical industry; defence production; space industry; banking industry; etc. It is the achievements of the public sector in these domains that make us a remarkably versatile developing country of the globe. While our economic and social indicators may still be low (per capita GDP, poverty ratio, low literacy level, poor basic health indicators), there is no doubt that India has considerable strength in many of the key factors of development—scientific manpower, industrial expertise, wide banking network and high technological skills in many sectors. These basic strengths are seldom found in developing countries; they have largely been nurtured in the public sector.

The oil refining industry was nationalized in the 1970s decade when the ‘seven sisters’ had the globe in their oligarchic grip. The public sector oil refining industry, in tandem with Engineers India Limited, first learnt and then independently provided the engineering support to the nascent indigenous refining industry. We have now grown into a significant global hub of the oil refining industry. Our confidence level today is such that a consortium of indigenous oil refiners and EIL can independently design and execute refineries of almost any size. Not just that, this consortium would be considered adequately qualified to assist in the installation of an oil refinery in any part of the world. Almost all our country’s requirements of refined petroleum products are available from our own refineries.

Further upstream to the oil refineries is our oil exploration conglomerate—the ONGC. When it was set up in the fifties, foreign exploration companies would have only agreed to come into our country on terms that would have compromised our oil security. ONGC over the years has become a major exploration agency in the world, meeting about half of our crude oil requirements. We are so routinely dependent on the oil producers and oil refiners of the public sector that we tend to undervalue their immense contribution to the economy. In the last three years, the price of international crude oil has risen from US \$ 60 per barrel to US \$ 150 per barrel and then again down to about US \$ 100 per barrel. An economy, with as many constraints as the Indian economy, would have been devastated if it did not enjoy the comfort of substantial domestic oil supplies, and near full assurance of domestic supply of refined products. It is at times of crises in the international markets that domestic production is most valuable. Despite the dizzying volatility of the crude prices, not only recently, but over the longer past period also, with substantial domestic supplies of crude oil and petroleum products to fall back upon, our economy has retained a creditable rate of growth of 8.4 per cent in 2010–11. Many factors have contributed to this robust growth including several of the neoliberal initiatives. However, in economic discourse credit is never given where it is due—the truth is that without the back-up of domestic public sector production, we would easily have gone

under several times in the past half-century.

Today we only talk of the Kingdom of Reliance in the petrochemicals sector. Reliance has, in fact, only built upon the expertise developed by IPCL in the decade-and-a-half before it set up its own petrochemical complex. The pioneer was IPCL in the early 1970s and that petrochemical complex is still a 'top-of-the-line' enterprise. I cannot help observing that if, from the business management point of view, any merger was required in the petrochemicals sector, Reliance's complex should have been merged in IPCL, and not vice-versa. IPCL's capacity to run a huge conglomerate in an efficient, profitable and socially responsible manner would have been much superior to Reliance's.

To continue in a lighter personal vein, my emotional attachment to IPCL goes back to my association with that company in almost the beginning of my career—I was once the Under Secretary in the Ministry of Petroleum, Chemicals, Mines and Metals (1970–73). Just consider the span of functions of one ministry over four substantial, industrial sectors. My charge covered the entire organic chemicals sub-sector, and therefore also IPCL. However, before anyone is misled as to the importance of my role, let me clarify the position. Borrowing words from my friend, Mani Shankar Aiyar, the celebrated wordsmith: 'The Under Secretary is a creature in the Government of India, under which there is nothing!' I was a mere cog, but I will never forget that I was a component of that magnificent machine. The early period of the stint was a learning period. The subject of work was entirely new in the country, and my prior experience in it was obviously zero. However, there is one minor role of which I am inordinately proud—when the Indian Petrochemicals Corporation Ltd was registered under company law it was under the authority of my signature on the Articles and Memorandum of Association!

The public sector activity has many virtues. A valuable characteristic of the public sector is that it does not move in and out of the economic system at the drop of a hat—it may be stodgy, but it is a faithful, steady friend-in-need. A public sector undertaking, even in our creaking polity, is answerable to the people. Many a time, even against their individual corporate interest, they continue their operations in order to avoid a setback to the economy. Some time ago when the crude oil prices rose abnormally, the public sector producers were in distress, but they continued to produce at unchanged prices to tide over the consumer crisis. It will be recalled that, in the same period the largest private refinery stopped marketing its products. Large, responsible economies cannot always be run on the basis of short-term profit-and-loss considerations. This is a reality that is recognized even in the developed market economies. During the recent securities crash, many governments of developed countries stepped in to prop up critical financial and manufacturing undertakings with public funds. In any economy, particularly a developing economy, some sections of it have to be prepared to play a supportive role even at a corporate loss. Such a lifesaving role will never be discharged by a private undertaking.

National Economic Security

ON OUR KNEES

The need for security in the core sectors of a country's economy is a real need and not a ghost in the febrile imagination of some doctrinaire ideologues. Our situation in the oil and refinery sector proves this very clearly. As has been mentioned earlier, a large part of our oil and refined product requirements are obtained indigenously. If this were not so, our condition would have been precarious on several occasions when we faced an international commodity crisis. The absence of reasonable domestic commodity security can be a grave vulnerability, and this was brought home to me in unusual circumstances.

In mid-1991, towards the end of the tottering regime under Prime Minister Chandra Shekhar, our balance of foreign exchange reserves did not cover more than two weeks' requirements. Our vulnerable economic condition was known the world over. We were hard-pressed to meet even our day-today import needs. While we produce a considerable portion of our crude oil requirements, a larger amount still has to be imported. The international crude oil market had greatly hardened. Our country had no access to credit; commodities were required to be bought cash down or on exploitative conditionalities. Some of these contracts were signed with outrageous conditions and without a moment's thought. We were literally on our knees.

This situation was brought home to me forcefully when I was serving as Additional Secretary in the Ministry of Petroleum and Natural Gas in the 1995–96 period. The privatization fever was raging in the government. Under our Secretary—Vijay Kelkar, an uncritical liberalizer—we were also going gung-ho in that direction. However, it is a fortunate feature of the systems of our country that it still continues to have several checks and balances that often can prevent, or at least moderate, the more reckless actions. At that point of time, issues were still examined in some manner of speaking, even though there was a strong doctrinaire sweep towards globalization–liberalization.

The economic arena was still not an *open sesame* for private interests. Many foreign interests were disappointed that the Indian economic system had not entirely collapsed at their feet. In my domain of work, these foreign representatives were constantly in my office venting their frustration on the many things that the Indian government would not do on their demand. On one occasion, a top-level executive of a leading MNC in the oil sector burst out that the Indian government was not honouring its earlier commitments. I thought he was alluding to our hand-to-mouth condition of foreign exchange reserves, and protested that no matter what our foreign exchange position, we had never defaulted on our repayment commitments. The representative brushed it aside and said that he was not referring to this. He said that in our contracts for oil import during the crisis period, we had undertaken to throw open the oil and refinery sectors to foreign investment, and that we were withdrawing from that position now that the crisis was over. He took out a photocopy of a deferred payment agreement for a

minor quantity of crude oil, something in the range of a couple of lakh barrels. The agreement carried a long list of conditions one of which had been underlined. This committed the Indian government—without setting out a deadline—to the opening of the indigenous public oil and refinery sectors to foreign investment. I was shocked to see this document—for a pittance of oil bought in the spot market on deferred payment basis we had made a commitment on a major policy issue. Later I called for the files on which such agreements had been processed. There was a sheaf of such files, each very thin, and with perfunctory noting. The conditions had not been discussed, and were attached to the agreement as a matter of course. It is, of course, a different matter that no supplier could try to enforce such a condition of disinvestment on a country which had a diversified economy like India. And yet, one shudders to think how vulnerable we would be to economic blackmail had we not adequately covered our flanks in the core sectors. In the period of those agreements—the early nineties—we were temporarily vulnerable, but we were not a devastated economy. Even so, the oil producers had the temerity to place conditions which any self-respecting, sovereign country would find humiliating to concede.

WASTED YEARS?

In these days of the neoliberal ideology, in many critiques, the first four decades after Independence are described as the wasted years. These were the times when the focus of initiatives, even in the industrial and financial sectors, was largely on the public sector domain. This would not be the occasion to enter into a debate on the merits of that macro-policy—that would best be left to a date when the economic history of the period is recorded from a distance in time. All I would assert at this moment is that private initiative in these sectors, on terms that could have been allowed by the State in public interest, would have been limited. We have many countries in our subcontinent that gained independence from the colonial powers in the middle of the twentieth century. None of our neighbours—Sri Lanka, Bangladesh, Pakistan, Myanmar, Nepal and Bhutan—adopted a policy of pro-active State intervention in the industrial or financial sectors. Private initiative in domestic production units in these countries was limited to low technology consumer items with limited value addition. Looking at their industrial and financial scenario objectively, compared to India, these countries are a virtual wasteland. By working with, and learning about, the application of intermediate technology in the public sector, today India has an enormous reservoir of experience. While it may not be generating front-end technology as yet, its capacity to absorb and even marginally advance high-end technology, is substantial compared to the other developing countries.

It is this capacity that makes India an authentic, emerging economic power today. In terms of its GDP growth, China constitutes a much more impressive example of an emerging economic power, principally because of the advantage of certain key features of its social history. However, there is no gainsaying that much of the easy confidence with technology shown by our highly skilled human resources was gained while working with intermediate technology in the State enterprises. If one scans the industrial landscape of the country, one notices several sectors where state enterprises dominate and anchor the economic security of the country. For example, in the oil production sector today, about half of the domestic crude oil requirements are indigenously available; in the earlier

years the share was even higher. It is inconceivable, that private risk capital would have entered this sector in the early years after Independence on conditions that served our broad public interest—to begin with, they would never have the private capital on the scale required; and with uncertain prospects, borrowed resources would not have been adequate. Indira Gandhi, more for reasons that had to do with ideological posturing than economic policy, nationalized the oil sector in the seventies. However, in hindsight it is apparent that the impetus to the exploration sector, and the strong foundation in the refinery sector, secured a vital truss for the country's economic structure. The diversity of our oil sources saw us through the oil crisis of the seventies, in the early nineties, as also in the crisis period in the early years of the new millennium, when the international prices soared to over USD 150. While our early refinery capacities were acquired through nationalizing foreign-owned refineries, in a short time we mastered both the basic and detailed engineering aspects, which we later used in our new refinery units in the nationalized companies, as also in the Indian Oil Corporation, an original Indian brand. The strength these assets provide to our country are often unfairly discounted—oil is the commodity that determines the dynamics of international relations, not only for struggling developing countries, but also for the economic giants of the first world.

Again, our situation is best assessed in comparison to our neighbours, who also started their economic journey six decades ago as newly independent sovereign countries. As an example, I would take the case of the minerals and metallurgical sectors, a key component of any economy. For steel, the beginning in India was made by TISCO in the private sector in pre-Independence days. But, in the four decades thereafter, new integrated steel plants came up only in the public sector. In the last two decades a couple of private steel complexes have come up, but even then about a third of the primary steel production in the country is from the public sector. None of our neighbours—Bangladesh, Sri Lanka, Pakistan, Nepal, Bhutan and Myanmar—have any primary steel production. This brings back to my mind a revealing incident of the mid-eighties. I was attending a government-arranged training course on 'Development Economics' at Cambridge University. My course-mates were from several Commonwealth countries. One day I was casually talking to a course-mate from Pakistan and he mentioned a steel plant in his country. I immediately took it to mean an integrated steel plant like, say, our Bokaro complex. I was a little surprised by his statement as I had not heard of any steel complex in Pakistan. It was not known to have any iron ore or coking coal reserves. By reflex I immediately started scanning my mind as to the likely source of the inputs for the complex—iron ore, coking coal, refractory bricks, and so on. I wondered: Was this another case like Japan, of large manufacturing capacity without any local natural resources for the industry? My thoughts were interrupted by the subsequent comments of my course-mate which made it clear that what he had in mind was a steel rolling mill! The vast difference between what my course-mate from a neighbouring country said, and what I understood, indicates the gigantic chasm between the technological capacities of the two countries. In our country, when we talk of a steel complex, it is assumed that it is an integrated steel complex; on the other hand, in Pakistan or Bangladesh a 'steel complex' may well refer to a hot rolling mill or a mill for rolling steel sections. Many of the other countries in the neighbourhood would not even have downstream processing facilities based on imported primary steel. The contrast between our country and our neighbours struck me like a flash of lightning—in technological terms

we are living on different planets. And there is no doubt that the level of expertise in our country, in no small measure, is the outcome of the State policies adopted in India in the early years after Independence.

The interventions of the State laid the foundation in the country for several key sectors, many of which constitute the basic infrastructural framework of the economy—oil production, oil refineries, the petrochemical sector, the fertilizer sector, the ferrous and non-ferrous minerals and metallurgical sector, the solid mineral fuels sector, the telecommunication sector (prior to the IT revolution), the civil aviation sector, road communication, the power sector, atomic energy and the irrigation/multi-purpose river valley projects. In all these areas of development, the State laid the foundation, though in the last two decades or so, private investment has also entered greenfield projects, or entered disinvested public sector undertakings in these production sectors.

Some commentators in the current era hold the view that if the state had not supported public sector investment, the private initiative would, in any case, have filled the vacuum with greater efficiency. While this is a huge area of ideological debate, my take is that the private sector at that stage had little capacity by way of financial capital or technological assets. The financial resources would have had to be provided by the State, and the minimal conditions that would have to be introduced to meet the requirements of public financial support would just not be acceptable to the private sector. Also, in a period when the then-developed world was very reluctant to part with technology, the Indian State, even though it was inexperienced, had adequate leverage to purchase technology on much more competitive terms than private entrepreneurs. In many of the sectors listed above, the State undertakings were able to purchase the then-current technology, and more important, were able to absorb it and further advance it. I feel that sometimes we underrate the immense hands-on experience we obtained for our country through the public sector initiatives. A new developing country has to learn to articulate a demand vis-à-vis the supplier. Most first-time entrepreneurs wouldn't know whether they require a screwdriver or a wrench. Most developing countries are palmed off with dated technology at unconscionable prices. The technology package is transferred in such a manner that the indigenous project team learns nothing. The state enterprises, with their greater leverage, managed the transition period for acquisition of technology with relative success.

The public sector acquired disrepute when, in an attempt to extend its turf, it entered into activities which had no public importance, or ones which by their nature were unsuited to the public sector work culture. Areas like hospitality and tourism are obviously unsuitable for the public sector. Also, small manufacturing units such as mini-cement plants, mini-steel plants, steel fabrication units, entertainment electronics units and so on served no public purpose. In a period of mindless socialism, many of these ungainly public sector animals were born, and they wasted away in a short span of time. The negative image of the public sector is on account of a large number of small units of the unsuitable variety; the critics have lost sight of the major initiatives in the key sectors of the economy where the public sector laid a solid foundation, and even today continues to contribute significantly to the national economic security.

In our quest for security in the core sectors, we have, from time to time, gambled with many experiments. Over the country's industrial history, this has happened at different times for the cement, steel and power sectors. When the power shortage in the mid-nineties became acute and was attracting much flak from the urban classes, the Ministry of Petroleum and Natural Gas sold a dream of setting up, in a short gestation period, naphtha-based mini-power plants. The ministry had touted these as an 'innovative measure' in the period Vijay Kelkar was the Secretary. I was, I must state for the record, a very sceptical Additional Secretary in the Ministry then. It seemed incredible that significant power production capacities could be set up through hundreds of mini-power plants based on a high-cost petrochemical—most of the proposed schemes were of around 50 MW capacity—and even middle-rung businessmen thought they could throw their hat into the ring; technical viability was, of course, no consideration.

Naphtha is generally used as a feedstock and its high cost can only be afforded by the high value-added chemical industry. In general, the global naphtha availability was short, though it was possible that for short periods there could be small surpluses. These periodic surpluses were picked up by users at high prices from the global spot market. The bidding for the long-term naphtha contracts was always won by highly profitable organic chemical manufacturing units that used it as a feedstock. If naphtha was ever used as a fuel in other parts of the world, it was for peaking power generation. In normal operations, the cost of naphtha-based power was four to five times that of coal-based power. The whole idea of supplementing the national power-generating capacity in substantial terms, through naphtha-based mini-power plants, was a pipe dream. But, it was the fashion-of-the-day and over three hundred licences for mini-power plants were issued, and they were all expected to tie up their naphtha supplies independently. It was asserted, for public consumption, that India's power problem had been solved.

The hype was so great that there was an unbelievably buoyant market for trading in these power plant licences—these came to be traded like securities. It was well known that the initial recipients of the licences made a huge killing through the resale. The political executive was also well looked after for the favour of the initial grant of licences. To my knowledge, not a single mini-power plant is in operation today. The entire drive to set up mini-power plants was bizarre—the licences were traded with the same frenzy as the mortgage-backed securities that crashed the US banks recently. Just like the US securities, the licences for mini-power plants were based on illusion. The ultimate outcome was that we deluded ourselves that in a few years, a large supplementary power capacity would come up, and in that hope no emergent measures were taken to step up viable capacity based on fuels for which supply was better assured. Through this initiative, all stakeholders, except the ordinary citizens, were well looked after (political and bureaucratic executives, the original recipients of each licence, and sometimes even the second or third purchaser of a licence). Needless to say, the last holder of the licence, when it became apparent that no power would ever be generated (that is, when the music stopped!), was the one who lost a lot. The government when in a crisis situation often responds by withdrawing into a delusionary cocoon.

National security, broadly speaking, is the ultimate priority of the country. To ensure this, it is imperative that we remain located squarely in the real world. When pursuing a neo-liberal mode of

development, there would be many occasions when the requirements of the country do not seem to fit into the conventional paradigm. In such situations, there is a temptation to resort to delusionary options of the type seen above. To fully secure the nation in respect of its core requirements, it is essential, in the first instance, to secure ourselves against the delusionary options.

THE PUBLIC SECTOR ROLE

During the course of my career, by happenstance I have had long spells in the minerals and metallurgical sector—six years in the central government (1978–84) and over three years as the Managing Director of the Gujarat Mineral Development Corporation (GMDC) (1984–88). It has always seemed to me that robust private entrepreneurship can rarely be expected in this core sector in the early stages of development of the country. This is a sector in which investment decisions have to be viewed in the long term. If maximization of returns is planned in the short term, the permanent loss to public interest can be enormous. The apt example for this is the private sector coal industry in the early years of Independence. The sector saw an unparalleled scale of ‘slaughter mining’ by private leaseholders of the high-grade coal reserves, particularly some coking coal reserves of unique quality. The mining companies creamed off the rich reserves without even stacking the associated low-grade lumps or fines, for use at a later date. Enormous quantities of non-renewable natural resources were lost, when just a little attention to the principles of scientific mining would have saved them for a later day with a different technology, or different financial parameters. The reserves were ravished by the private mining companies as if there was no tomorrow. The early initiatives in developing this core sector are cut out for the public sector where technical regulations and principles are more readily enforced, not because the sector has more committed professionals, but because violation of laws would have much more painful repercussions in a rule-bound organization.

The nationalization of the coal sector was a response to an obvious need to set benchmarks and best-practices for carrying out of the mining operations. In addition, of course, the government wanted to be assured of the supply of coal at reasonable prices for priority users. Forty years after nationalization we can again think of awarding coal mining blocks to private captive users. The regulatory mechanism, and the experience in modern mining technology, is much improved today. Also, if blocks with limited estimated capacity are awarded to a unit, the management would be under pressure to extend the life of the mines to the maximum possible. At this stage of our development process, the risk of wastage of our non-renewable mineral resources is much less than four decades ago.

My experience in the mines and mineral sector has convinced me that this sector is inherently suited to public sector intervention; though with increasing skills, private entrepreneurs can also comfortably move into this sector now. The state mining corporation that I was associated with for over three years seemed to me a textbook example of an initiative suited to the public sector domain. The GMDC was set up half a century ago for manually scooping out shallow deposits of mica sand, bauxite and lignite in scattered locations of the state. That it was set up only two years after the creation of the new state, is an indication that the government had a basic conceptual awareness of the place of the public sector in the state’s economy. In the course of time, GMDC set up small-sized,

open-cast lignite mines in scattered locations, as also a fluorspar mine and beneficiation plant, whose output found a market in the domestic fire bricks industry, in a period when imports were difficult on account of foreign exchange restrictions. In the early decades the operations were of modest proportions, even though in every year since its incorporation, the company showed a net profit. In most aspects, GMDC was a typical public sector undertaking, suffering from all the common weaknesses found in these undertakings. As is the case in public sector undertakings, the turnover of the Chief Executives in GMDC was rapid, and it also suffered from excessive interference from the state government. However, because the nature of activity was suited to the public sector, the corporation contributed valuable products to the state economy.

A broad overview of Gujarat's economy flags one very significant handicap on account of its location—being over 1600 miles distant from the source of coal. Also, a large part of the state's geographical area is the arid district of Kutch, which despite rich natural resources, has little agriculture and no industrial activity worth the name. The distance from the coal mines made the functioning of the state power plants precarious. Most of the power consumed in the state had to be drawn from the neighbouring states and was consequently erratic and of poor quality. For an economic breakthrough for the Saurashtra and Kutch regions of the state, local availability of a solid fuel had to be ensured in order to set up a proximate source of electric power.

The demand for lignite as a fuel—principal or supplementary—was enormous but the technical mining problems made it impossible to meet the growing demand. The shortage of a proximate source of solid fuel generated pressing demands, not just from Saurashtra and Kutch, but also from the mainland of Gujarat. Looking to this pressing need for a solid fuel in major parts of the state, GMDC studied the possibility carefully, and, even at some risk, took the plunge to implement a large machine-based mining project with a hugely enhanced annual capacity.

Any new project in the public sector creates an inner tension in the organization on account of the eagerness of some to cream off a part of the investment. In those days, the propensity to cream off new investments was largely confined to the political executive; however, with the passage of time, the bureaucratic executive also acquired the necessary skill-sets, and today the two wings of the executive play the game with complementary skills!

At the stage of negotiations for the new mining project, the tension in GMDC—in respect of the cut to be paid—was at its peak, and two of my colleagues, both very dear friends, had fallen foul of vested interests and had been transferred in quick succession from the post of Managing Director. The Chairman of the Corporation, though only an outlier in the political scene, exercised disproportionate leverage by being personally close to the Chief Minister, Madhav Singh Solanki. It is possible that the Chairman and the Chief Minister shared an interest in the transactions arising out of major public sector contracts. In any event, they had managed to get the contract approved through some sort of official process before I took over charge. In fact, the day I joined the corporation, I was informed that the contract had been signed in Germany between our Chairman and the representative of our foreign collaborator—the well-known East German state company, TAKRAF. I recall the day very well—it was the day after the assassination of Indira Gandhi, when anti-Sikh riots were raging in Delhi. In a sense, the situation in which I entered the corporation, turned out to be propitious for me. I

do not know how I would have handled the negotiations with the extra-governmental considerations queering the pitch. My Chairman's leverage with the political executive had been considerably weakened after two of the former chief executives were unseated. I, therefore, had a relatively more comfortable prospect.

The new mining project—the Panandhro Lignite Mine—was a massive one (2.8 mtpa) with an estimated capital cost of 101 crore rupees and a financing pattern of 2:1 as debt: equity. The project cost figure truly turned out to be an auspicious number—the project was implemented within the originally scheduled time and estimated cost. The entire equity was met from internal resources of the corporation. In its history the corporation had been given a total equity contribution of 3.2 crore rupees by the state government, and that too over several instalments. It was truly extraordinary for any undertaking, private or public, to attempt such a large new investment with such a minuscule backing by the promoter, the state government.

For the loan component, we planned to approach the Industrial Development Bank of India (IDBI), which in those days played a lead role in funding such projects. It was the IDBI that initially appraised the project, and if they found it viable, they would invite a group of public sector banks and insurance companies to join the funding consortium. Each institution naturally had the right to join the consortium or stay away according to their judgment, but substantially it was IDBI that took the investment call. I was aware that my Chairman had been in touch with the IDBI Chairman, one Mr Punja, but I was under the impression that this would have been in the nature of an introductory courtesy call. However, it later came to light that the IDBI Chairman knew the reputation of our Chairman, and was none too approving of it.

In any case, in the normal course I sought an appointment with Mr Punja and called on him along with my General Manager (Finance). I entered Mr Punja's room and warmly greeted him, but it took me no time to realize that the atmosphere was absolutely frigid. I had a prepared spiel, which I spun out and ended by saying that we proposed to apply for a loan for the project, and that we had come to solicit his blessings.

With an absolutely impassive face, and looking away through the window towards the sea, in an expressionless voice Mr Punja stated his position: 'IDBI decides on loan applications purely on the merits of the case. Only that matters and nothing else. GMDC would do well to work on the project and make a sound proposal. Bringing pressure from this or that source did not improve the credentials of the project.'

I was staggered by the sudden attack. It was obvious that in his 'smart aleck' way, our Chairman had tried to pressurize a decision in IDBI even before we had drawn up a project report and submitted a loan application. I was stung by Mr Punja's remarks and must confess that my flashpoint has never been very high. I told Mr Punja that as a career civil servant I knew that the viability of the project had to be established, and that we would do that in our project report and loan application. The meeting ended frostily.

In the month following the meeting, Mr Punja visited the state. The Secretary, Industries Department, hosted a lunch in his honour where all the officials who had any interaction with IDBI were invited. I felt very awkward at that lunch. Mr Punja went around the room shaking hands with

all within his reach. I was still smarting from his remarks and kept out of reach. He must have noticed it. After some time, he detached himself from the group he was talking to and came up to me. Holding out his hand he said: 'Don't worry. We will look after you.' It was very sporting of him. After our frosty encounter in Mumbai, he must have made some enquiries about me and the other key personnel of the corporation from his trusted sources, and it seemed that we had passed the first test.

We worked on the project report the hard way; we decided to do the exercise in-house. In that age this was considered reckless by many observers. There were some consultancy firms that did carry out such assignments, but they were too snooty to look towards a fingerling like GMDC. We decided to make a virtue of this necessity. All components of the report were worked out by the small team set up by us. Since all were new to this type of work, many portions had to be revised several times over, to correct errors. The process may not have been time-efficient, but the experience of working independently that the team acquired, was rare for a public sector undertaking. The report was scrutinized several times at different official levels of IDBI and many clarifications were asked for, but at the end of it the application stood approved without any re-casting. Thereafter, a few public sector banks and insurance undertakings were roped in by IDBI to join the funding consortium.

GMDC was an unusual public sector unit then, and is, perhaps, an even greater wonder today. However, a high reputation can generate its own type of expectations. To appraise the project and the loan application, several IDBI officials visited our head office and mines on many occasions. They were from all levels of the organization. A regular member of the team was a raw probationary officer, who really did the slog-work; he was the number-cruncher. He was the one we interacted with on a daily basis. One day when the major part of the process of due diligence had been completed, he came to my room along with my General Manager (Finance). He began by talking of the progress made, and that they were close to the end of the appraisal. Then, almost as an aside, he mentioned that their legal department had raised a small point which needed settlement. He said that their legal department had asked for a guarantee from GMDC for prompt and regular repayment of the loan; this was in addition to the commitments made by the company as a 'borrower'. Thinking that the legal department must have asked for a sovereign guarantee from the state government for repayment of the loan, we produced a letter where the state government undertook to offer any type of sovereign guarantee in a required format for the loan. The otherwise intelligent young probationary officer would not have any of this—he said that the state government's guarantee was merely a piece of paper; they had given sovereign guarantees for such large values that there was no practical way to enforce these guarantees in the case of a default. IDBI's legal department wanted an enforceable guarantee from a creditworthy company like GMDC! It was quite amusing that this otherwise intelligent boy missed the conceptual absurdity of his requirement. The State was the sovereign power and subsumed the assets and creditworthiness of everyone and everything within its domain, regardless of the practicality of recovering the loan from the sovereign power. On the other hand, no matter what its credit-worthiness was, GMDC was the borrower, and it was a flea compared to the stature of the giant State. The young boy heard us out and possibly sensed the conceptual absurdity, for the issue was not raised again—the state of Gujarat issued a sovereign counter-guarantee for the loan for whatever it was worth. GMDC, no doubt, pledged all the equipment and other assets for

repayment of the loan sanctioned. This was an instance of the world of finance losing touch with reality; many of us in public undertakings often get so carried away with our self-promotion that we forget that, ultimately, we are mere instruments of the State—no enterprise here or there, no matter what its financial indices, holds a candle to the State.

I recall this period in GMDC to particularly highlight the legitimate role of the public sector in the national economy. I had the good fortune of being associated with the company from the day the equipment purchase contract was signed to the stage when the final long-term performance guarantees had been proved. Despite my enormous pride in that company, it is obvious to me that it acquired no special value because of my one-time association with it! It only makes a good example of a public sector success because the State intervened in an area suited to its strengths. There was a dire need for the production of a solid fuel in western Gujarat. The logistics were too daunting, and the risks too great, for the private sector to look at it. The contribution of the public enterprise to the core sector unlocked the unique value of the natural resources of that otherwise unpromising area.

Our new project provided employment only to locals. The deal for the new entrants was a fairly attractive one. The trainees were merely high-school pass-outs, with little employment opportunities in those days. They were sent to Neyveli in batches where, they were put through a well-structured training course managed by our mentors, the Neyveli Lignite Corporation. Many of the trainees had little outside exposure—most had never been outside the state, and some had not even been outside their district. Elaborate arrangements were made to minimize the culture shock. A team of Gujarati rasoias were taken to provide food which the trainees were used to. The instructors at Neyveli were mostly from the south, only knowing Tamil and English. Translators were taken from Gujarat to assist in the programme by providing rapid translation from English to Gujarati in order to make the instructions meaningful. Though the period of training may have been somewhat stressful for the youngsters who had never been exposed to a social environment other than the one of their birth, the pain could not be further minimized; and of course, the exposure to the larger world was an experience of a lifetime. This training provided a rare type of skill enhancement for a group of youngsters who otherwise had no future. Today, in the rapidly expanding private mining sector, these experienced boys have a very high market value.

The activities of this public sector enterprise provided many benefits that were rare in that part of the state—skilled employment that just did not exist in that area; tertiary sector linkages from the project to a variety of local services; a proximate source of solid fuel in an economy that was critically handicapped for want of it; the possibility of setting up a lignite-based power plant where no other power generation was possible, etc. As a professional who was associated with the working of this corporation during a significant period, it gives me tremendous satisfaction to read reports on its performance in the economic journals, and to note its success from year to year. In terms of financial indices, it regularly features in the top 500 companies in the country listed by the financial papers—the 432nd position in 2010. In 2009–10, the brown gold gave the company a net profit of Rs. 585 crores from revenue of Rs. 1421 crores. The Corporation's free reserves totalled Rs 1606 crores. To bring about this corporate miracle, the Gujarat government holds equity of Rs 47.4 crores at par, amounting to 74 per cent of the total equity. Out of the government equity holding, the state only

contributed Rs 3.2 crores; the rest was accumulated by way of earned bonus. By any standards of the corporate world—public or private—this is a magnificent achievement. Lignite has become the brown gold of Gujarat.

In the ultimate analysis, the financial performance of the company is only one relevant measure of performance. Even more important than that is the exceptional social cost-benefit ratio of the project. I have always felt that it is this aspect GMDC should boast of, even more than the financial success. For many of the benefits at the remote location in Kutch, the shadow values would be much more than any nominal monetary value. Apart from this project, gainful employment in the organized sector is almost non-existent in Kutch. The value of the wages paid to the local workers would have a very high shadow value. The output—lignite—could, in social terms, be legitimately valued at a considerable premium over the delivered cost of domestic coal. Almost any premium value given for the proximate availability of a reliable supply of lignite at such a location would be amply justified. The linkage for future industrial projects, using the reliable power generated at a lignite-based power plant, would also justify a large premium to the shadow value of the output of the down-stream industries. Taking all this into account, the social benefit–cost ratio of this project would arguably be amongst the highest for any similar project set up in the country.

Time in the Health Sector: 1999 to 2002

A question that has often come to my mind is why the social sectors in our country are so comprehensively neglected by the political elite entrusted with governance—when raising this question the most obvious examples of neglect are the health and education sectors. Is the health sector worth nothing to us? One obvious cause for the neglect is that the political power is vested in a section whose personal interest is more linked to the commerce and industry sectors. But the selfishness of the power elite is not the only cause. The social sectors are almost bereft of any conceptual thinking. The political and bureaucratic executive, between them, have managed to ensure this. In my experience, almost no policy formulation function was performed by the Ministry of Health; in fact, there was almost no understanding of what conceptual thinking implies. Executive authority on relatively trivial matters was grossly over-centralized in the Ministry. I would venture to say that this is not so much because the civil servants want it so; it is primarily because the political executive wants it so. I do know it for a fact that from time to time several Secretaries have pressed that certain functions performed in the Ministry are unsuitable, and should be delegated to the autonomous institutions or state governments, but this elicited no response from the Ministers. Some of the unnecessary areas that the Ministry keeps a direct control over are: the running of centrally funded hospitals; direct control over the administration of technical and research institutions; and concentrating use of central funds on the implementation of central schemes.

The administration of centrally funded hospitals may seem a trivial point, but in fact it takes up an enormous amount of the Ministry's time. The political executive clings to this irrelevant activity as it gives them an opportunity to distribute minor patronage. All Health Ministers have run a private referral system from their offices to the different state-run institutions. Patients who count for more are referred to AIIMS, and those who merit less, go to Safdarjang Hospital. One of the Health Ministers had printed forms to refer the patients to the hospitals. Referrals from the Minister are to be given more attention, regardless of the medical condition of the patient. All administrative crises in the centrally controlled hospitals such as medicine stock-outs, strikes, unnatural deaths, medical negligence, plagiarism of research papers, professional politics and intra-institutional clashes become emergencies for the Ministry. One Health Secretary described the functioning of the Ministry as comparable to that of Safdarjang Hospital's casualty department!

Quite apart from the over-centralization of authority in our health system, even other functions are performed without any connect with a conceptual framework. The central government funds several national disease control programmes, which, of course, are implemented by the state health administration. In the framing of these programmes there is no conceptual underpinning, or attempt to create an internal coherence. Programmes are only a sequence of discrete activities. Since there is no conceptual underpinning, there is no understanding of the significance of the discrete steps amongst

the implementing staff. There is very little capacity within the Ministry for even designing the national programmes. Most of the large national programmes of the past have been externally funded—World Bank loans or other bilateral credit. Since we did not have much expertise in designing programmes, the funding agency guided us through the exercise. While saying this, I must clarify that I do not believe that the funding agencies packed the programmes with their own economic ideology. This is what is alleged by certain critics of the national programmes. However, by not being able to design our national programmes independently, we also lack the ability to recognize the internal coherence that must be created in the programmes. The public sector health personnel have very little understanding of public health goals of the national health system.

The vector-borne disease control programme—which is directed at the single largest contribution to the national disease burden—is still more or less as it had been designed in the pre-Independence days. It has more elements relating to administrative control than for efficient service delivery. There is great emphasis on financial account-keeping, stock-keeping and periodic progress reports—and less on the actual delivery of the programme components at the population level. If the health planners had the ability to think conceptually, they would have been able to introduce many features that would make the programme community-friendly.

In this situation it is necessary to free the Ministry of its myriad duties relating to day-to-day operations, so that the personnel has the time and the mental space to carry out the functions of conceptual planning and macro-level monitoring of the functioning of the health system.

Human health and well-being is an outcome that is obtained from within a large universe of social determinants. For ensuring the health and well-being of the community, public health has to interface with many other sectors—safe drinking water, sanitation, nutrition, education, equitable access to public services, gender equity, etc. Even within the exclusive domain of the healthcare sector, the services are not limited to curative care. Broadly speaking, healthcare would cover the promotive, preventive and the curative sectors.

Initiatives in the promotive and the preventive sectors are most cost-effective as they prevent ill health, and avert the requirement for costly curative care. There is almost no awareness about the criticality of these two components amongst public sector health functionaries in the country. The administrative focus and the financial outlay for these two components are minuscule; whatever is provided is almost by accident. There is also a great obsession for ‘state-of-the-art’ tertiary care. In fact, the phrase ‘state-of-the-art’ is treated as a magic bullet. Whenever there is criticism of the condition of the public sector health system, the government rushes to announce a super-specialty institution. As against such a response, the truth is that well before any population group needs a super-specialty institution, it requires a modest primary healthcare system, balancing the promotive, preventive and curative components.

The inherent need for community involvement in social sector initiatives has been significantly recognized in the last decade-and-a-half. In the health sector, the role of local leadership has been identified in a number of areas of the National Rural Health Mission (NRHM). Under the Mission, the Village Health and Sanitation Committee, composed of community representatives, is given the role of designing the Village Health Plan, and of overseeing the working of the local public health service

centres. Early indications from states, where these groups have started functioning, are encouraging. The community leaders are taking an increasing interest in the functioning of the decentralized institutions. With such an early response, and given the fact that education levels are improving even in rural areas, the local communities can be expected to effectively empower local-self-government institutions in the medium time-range. However, it must always be kept in mind that the creative use of powers by community leaders will not come about immediately and spontaneously with the enactment of the law. The empowerment of community leaders is a slow process during which the state apparatus will have to carry out a gentle hand-holding operation. Critics may well say that no community empowerment is possible till the community is freed from the bear-hug of the State. However, exercise of power, within the bureaucracy or within the general community, requires some previous exposure and experience. It would be a dereliction of duty if the State enacted the statute and rules and left it to the exclusive initiative of the community to use.

Even many otherwise well-informed persons have little idea of the scale of the disease burden in our country. Once, during a trip to India, the WHO Director General, Dr Gro Harlem Brundtland visited AIIMS. Though she must have known of the state of the health system in India, she was quite taken aback by the burden of the patient load borne by the hospital. As she was hurriedly escorted through screened sections of the hospital, there was no way she could miss the thousands of people thronging the OPD. Despite being a super-specialty hospital, the OPD load at AIIMS was then about one million in a year. In this grim backdrop, looking around for something cheering to say, she commented: ‘What a rich stock of clinical material you have in your country!’ This was a polite euphemism that the country was teeming with sick people with every possible affliction. Such a heavy disease burden can only be tackled, principally, through a well-structured primary healthcare system—a super-specialty hospital is not the correct place to attempt this. Primary healthcare is unbelievably inexpensive—a basic package of six hundred rupees per capita would work wonders.

The overall State outlay of funds for the health sector, covering all types of initiatives (primary, secondary and tertiary care; public sector medical educational institutions; health research institutions, etc.) is currently extremely low, about the lowest for any country in the globe—Rs 300 per capita per annum i.e. USD 6. As one of the foremost duties of governance, the State is required to raise the resources for the health sector to reach the minimum critical mass to obtain any results. Along with providing the minimum critical outlay, the public health administrators would have to redesign the health system so as to optimize the mix of the different components. Today, the capacity for doing this in the public sector is almost nonexistent. The basic expertise required is just not available. Out of the over five thousand doctors in the cadre of the Central Health Service, only seventy-eight specialists belong to the subcadre of Public Health. The private sector health system in India is skewed towards tertiary care, with a heavy reliance on high-tech diagnostics. Along with providing a minimum critical mass of resources, as the next most important step, the primary healthcare system needs to be strengthened by providing for the three components—promotive, prevention and curative—in a balanced mix.

A government general hospital is a much-ridiculed institution. The elite will gleefully compare it with Dante's *Inferno*. In truth, even I would baulk at the thought of getting myself treated there. But, in the circumstances existing in the country, it would be my assessment that they serve as a great boon to those with no other recourse. To a mind accustomed to more tidy surroundings, the first exposure to Safdarjang Hospital is traumatic. The waiting hall outside the OPD is swarming with several thousand patients and their family attendants—it is difficult to find even a small patch of floor on which to squat. In the in-patient section, there are patients sprawled over all possible spaces—two-to-a-bed, in the aisles and in the corridors. A person not so familiar with the attendant circumstances may well ask why the management does not restrict admission. The answer is: if that were done, every day hundreds of people requiring emergency medical attention would be lying unattended on the pavements.

More than once, when attending the hearings of the Parliamentary Committees as the Union Health Secretary, I have been baited over the prevailing chaos and squalor in government hospitals. I could really offer no defence—it should not be beyond the capacity of the State to create a system where a general hospital has a less demonizing appearance. But in such awkward situations I had one observation which always made an impact on the minds of the carping MPs. For all its failings, Safdarjang has one unique work ethic—regardless of its technical capacity, it never refuses admission to a patient who urgently needs medical attention. The spillover patients and the no-hope terminally ill patients from the neighbouring AIIMS are routinely diverted to Safdarjang Hospital. For some of these, death in the immediate future is inevitable; but Safdarjang ensures that some service-provider is there, even if fleetingly, to mitigate the unavoidable pain of a lingering death. Without in any way attempting a hyperbolic comparison, I would say that for many, Safdarjang provides, on a minuscule scale, the same type of human support services that our revered Mother Teresa's homes provide. Even the most ardent admirers of Mother Teresa (and I am one of them), would not claim that the technical quality of the medical services available in her homes is the best. Yet, the empathy and support offered by the service providers in these homes have a human and spiritual content that any of us—the otherwise indifferent citizens—would also recognize intuitively and instantly. Safdarjang, in a very small way, makes its own unique statement of solidarity with the desperately needy who require medical attention.

As a consequence, often you have patients lying about everywhere—in the lobby, outside the bathroom, and in almost any other conceivable vacant space. It is certainly not implied that in doing this, the State has adequately discharged its responsibility of meeting the basic human needs of its citizens. However, given the defective structure and inadequacies of the health system, at its own level, this hospital, by adopting an 'open door' policy, makes a public statement that medical services, to whatever extent these are available, are there for all in need of them. And before some readers snigger at this observation, let me hasten to put forward my assessment—I believe the services rendered are enormous. Just the OPD attendance at Safdarjang in a year is of the order of 2.5 million patients—larger than the population of many countries in the globe. And despite the deplorable conditions in the hospital, it must be providing some services to the patients, otherwise why would they come at all? I know it for a fact that for sick people with no financial resources,

residing within a radius of a thousand kilometres, Safdarjang is the magnet that draws them in the hope that if they are fortunate, they may return cured and blessed with a new lease on life.

The conditions existing in Safdarjang are no textbook model for public service centres. The State must, no doubt, discharge its role in a more effective and responsible way: by creating satellite hospitals in the peripheral areas to filter off the less serious disease load; by improving infrastructure; by enhancing funding to the hospital and so on. However, whatever changes that may be effected in Safdarjang in future, one value that must be left untouched is their tradition of serving all in need, to whatever extent is possible. It must proudly remain the service centre of last recourse.

MINISTERING HEALTH

Ministers are generally allotted portfolios arbitrarily. Some portfolios are considered ‘wet’ and the others ‘dry’; given the ethos of our polity it is not surprising that the former category is in great demand. Rarely are an accurate fit achieved between the background experience of the individual Minister and the portfolio assigned to him. The Ministry of Health and Family Welfare has a long history of Ministers who were complete misfits. One who could be considered a rare exception was Dr C.P. Thakur, my Minister for close to two years when I was the Union Health Secretary. He was known to be a very highly qualified—FRCP (Edinburgh), FRCP (London)—and experienced medico. He had a thriving practice in Patna as a cardiologist; he was also keen on research and kept up with the developments on Leishmaniasis—known in Hindi as *Kala Azar*. With his broad conceptual understanding of the health sector, he was an ideal fit for the health portfolio, but for one fatal flaw—he was blind to the venality of his kith, kin, friends and well-wishers. Some of these hangers-on milked the system dry. At the insistence of this circle, a friend of theirs was appointed as his aide, and this was Thakur’s Achilles’ heel. All manner of malpractices were run through this aide. The Minister must have been aware of this, but could not bring the aide in line on account of family sensitivities.

Corruption is rather commonplace in the functioning of the central government, but is normally carried out with some degree of finesse. This particular aide indulged in it mindlessly. For example, he was given to writing long notes in florid, Victorian English. One of the basic safety devices conventionally adopted by Ministers is to minimize what they write under their own signature. The trick of this game is to get the lower bureaucratic line-up to write what you want them to write. This may be achieved through coercion, blackmail, deception, allurements, or sometimes even through sheer force of rational argument—but no trail should lead up to the Minister or his aide. Once the regular line of administration realized that the intentions of the aide were doubtful, they were particularly careful in covering their flanks while recording their notes. The aide retaliated by writing long-winded rebuttals in Victorian English, which he got the Minister to sign as his own notes. As a result, while the aide was protected, the Minister was comprehensively exposed. The ghosts of those indiscretions haunted the Minister for years to come; more than one decision came to be investigated by the CBI. I will now describe one that is particularly revealing of the extent of damage to public interest that can be caused.

The health services for the community of government servants and their dependents are provided

under the Central Government Health Scheme (CGHS). The scheme covers some 4.5 million beneficiaries. Therapeutic drugs for use at the service centres are obtained through open tenders. The drugs purchased for government service centres are those listed in the approved government formulary. Since the tender is floated for a bulk quantity, the prices obtained are very competitive as compared to over-the-counter prices. The formulary is notified for a fixed period; after that, the tender is reviewed to include new drugs that have assumed importance with the passage of time. When I took charge in the Ministry of Health and Family Welfare, the previous formulary had already expired over a year ago. A review of the list was being conducted in a desultory manner—and while this was underway, the current requirements of the service centres were being met through over-the-counter purchases. The over-the-counter prices were 40 per cent higher than the bulk purchase prices. Not being aware of the vested interests involved in this issue I expressed surprise at the long delay. The relevant file seemed to be tossed from side to side. Several expert committees had been constituted to finalize the list of drugs and had later been disbanded. There was a never-ending jockeying of manufacturers to get their drugs listed on the formulary. Side-by-side, the retail pharmacists and several of the colluding staff were extremely happy with the fluid situation in which huge over-the-counter purchases had to be made. Thus, in this stalemate, a number of the vested interests were very happy; only the national exchequer suffered.

All attempts to hasten a decision proved futile. Several times it was brought to the notice of the Minister that nothing would be gained by constituting new expert committees, and that the need was to finalize a list so that bulk purchases could be restarted. On each occasion, a florid note returned, ghostwritten by the aide, and signed by the Minister, that the formulary must have the best drugs to protect the health of the government employees and their families! So, in the larger interest of the government servants, this stalemate continued. The formulary had still not been finalized when I left after a period of three years. The issue eventually became the subject of a CBI inquiry.

After my retirement, I was not in touch with the developments in this matter. Out of the blue, a DSP from CBI rang me one day and said that he wanted to discuss this case with me. I gave him a time and we met. He informed me that a regular case had been registered in the CBI about the delay and other irregularities in the over-the-counter purchases made by the CGHS. Since I was the Secretary then, he wanted to know what I had to say about the matter. I told him that I had no problem in telling him what I knew. But the case was an old one and I would have to read the file to refresh my memory. He said I could do that, and then with a laugh went on: ‘Why don’t you read your own note? You will find everything you need there.’ My note had been recorded in anguish, when even after the passage of two years, the issue remained undecided. It had also highlighted the obvious—that there was no need to spend years in agonizing over the formulary; a few drugs less made no difference to the overall quality of healthcare for the government servants. With some prescience I had also cautioned that the large avoidable expenditure on over-the-counter purchases may become the subject of some adverse comment at a later date. But, as I have said earlier, this had no impact on the Minister’s aide; the file came back after a few days with a fresh rigmarole in Victorian English. When I had finished reading my old note and looked up, the CBI officer said: ‘Sir, no further study is necessary. Why don’t you summarize this note in your statement?’ So I did just that, and within three hours the DSP was on his

way!

Another CBI investigation related to the Minister's functioning as the President of the Post Graduate Institute of Medical Education and Research, Chandigarh (PGIMER). It is difficult for one to imagine how in that non-executive capacity he could have run afoul of the law. The President of PGIMER, while not exercising day-to-day executive authority, can take a decision on behalf of the Management Board in a contingency. Thereafter, his decision has to be brought to the Management Board at its next meeting for ratification. The Honourable Minister chose to use these emergency powers to rent out a shop in the market complex to a particular party at a ridiculously low rate, without publicly inviting bids. Since in this case the Minister was exercising suo motu powers as the President of the institute, fortunately for us, the Ministry did not come into the picture. In the event, at a later date this decision also came under the scrutiny of the CBI.

In many of the incidents that I have narrated in this memoir, I have ended with a small epilogue. There is an appropriate epilogue for the above-narrated incident, too. On completion of CBI's investigation into the issue mentioned above, the agency asked the government for a sanction to charge sheet the involved parties. After a long delay the government denied the CBI permission to prosecute, and mind you, this was the successor UPA government—not the NDA combine to which the Minister belonged! Numerous examples from public life, including the above-narrated one, make it apparent that there is an all-party consensus in our polity (perhaps the only point on which there is consensus!) that no charge of corruption must ever be pressed against any of the members of the larger political community.

In the recent past, the issue of probity in public life has been dragged into the public arena by the Anna Hazare phenomenon. It has certainly woken up the normally torpid educated urban middle class. It is anyone's guess whether at the end of it we will finally have a Lokpal Bill, and if we do, what its shape, size and appearance will be. However, regardless of that ultimate goal, we should at the very least ensure that the obnoxious 'Single Directive'—which blocks the process of holding high public functionaries accountable—is withdrawn at the earliest. This provision on the rule book is an embarrassingly hypocritical one, unabashedly asserting that elite public functionaries are above the common law.

POLITICAL FIAT VS. PUBLIC HEALTH

The unquestioned bottom line in a democracy is the absolute supremacy of the political executive. The steel-frame of the bureaucracy may be as strong as you like to believe, but at the end of the day, it is the political executive who will take the call. An incident during my tenure as Union Health Secretary bore this out starkly.

As a health-promoting initiative, the Health Ministry had banned the sale of non-iodized salt. No public health expert would question the enormous public benefit as a result of this initiative. Ordinary salt produced from the sea, after iodization, protects the consumer from serious health damage as a result of iodine deficiency. The harmful effects of such a deficiency are well known, particularly in infants, where it results in stunted growth and even cretinism. In our childhood, sixty years ago, we have all seen malformed adults, with bulging goitres in their necks, victims of the then-endemic

iodine deficiency. A minuscule intake of iodine protects the individual from such serious physical damage. Common salt, which is consumed by all, was the most convenient carrier of the small amount of iodine required by the human body. The order of the central government, banning the sale of non-iodized salt (which really mandated the sale of only iodized salt), provided a simple way of reaching this essential micro-nutrient to everyone. One would normally find it difficult to discover a less controversial initiative taken by the government in furtherance of broad public interest.

To my surprise, even this turned out to be a red-hot issue. A major portion of sea salt is manufactured on the Gujarat coastline by groups of manual labourers, some of whom have been formed into cooperative societies. The activity of salt manufacture is one of the most physically demanding ways of earning a living. The labourers live and work in sub-human conditions in the baking salt pans, almost like animals; the business of salt is a highly exploitative one, with middlemen creaming off whatever little margin that this pitiful activity offers.

Seeing their pitiful condition, some well-meaning Gandhians, in pre-Independence days, helped the labourers to organize themselves into cooperative societies. The slightly improved negotiating capacity of the societies marginally mitigated the exploitation, though even after that, the salt industry labourers were one of the poorest and most vulnerable groups found in any part of the country.

The Gandhian mentors backed these cooperative societies in whatever manner they could, though their minimal business skills provided support more at the level of encouragement than in any practical way. The government order banning the sale of non-iodized salt had them up in arms. Though the process of iodizing salt was a simple one, it was beyond the capacity of the labour cooperatives. The ban, therefore, effectively meant the end of their business. The Gandhian mentors had their contacts in the power structure; also, they were greatly respected in government circles. The Prime Minister—Vajpayeeji—was an old friend of some of these venerable leaders. Vajpayeeji, when it came to personal loyalty, gave it the highest importance, regardless of all other considerations. When the Gandhians complained to him about the ban, all the macro-level public health considerations became irrelevant. Without a moment's thought he ordered that the ban be withdrawn. This happened a few months before my appointment as the Union Health Secretary. N.K. Singh was the official dealing with the matter in the PMO. While NK could gift away Rashtrapati Bhawan if he was in the mood, he would be canny enough to know the public cost of that generosity. He immediately realized that the order that the PM had issued with a wave of the hand, had wide-ranging public health implications; also, he must have realized that this was no gain, monetary or otherwise, for the doddering Gandhians. Public loss with no corresponding private gain was a proposition NK could not rationalize. In the event, NK ensured that the PM's orders were never conveyed to the Health Ministry. There are always administrative methods for ensuring this. Queries that can be raised to delay matters include: 'Find out how many small-scale units are there in Gujarat'; 'Has the Salt Commissioner given his views?'; 'Who were the complainants who attended PM's meeting?'; and so on. When such questions are raised, any alert bureaucracy reads the signals. Some desultory letters were sent off; they were never answered, and no one in the PMO found it necessary to send a reminder. Be that as it may, the PM's order never left his office, and the immediate damage through the withdrawal of the ban was averted.

But the poor Gandhians were dismayed—Vajpayeeji had decided and yet no order had been issued. They again sought an appointment with the PM. By that time I had joined the Ministry. My officials briefed me, emphasizing the damage to public health if the ban was lifted. However, they avoided mentioning the fact that the PM had earlier issued an order.

At the appointed time we filed into the PM's office room at 7, Race Course Road. The derelict Gandhians were led in; each was escorted by an attendant, and lowered into a chair. The Gandhians began their long tale from the beginning of time. The PM probably knew that his order had not been implemented—he was used to such obstructive ploys on the part of the bureaucracy. He calmly and silently listened to the Gandhians. When one finished, the other would start, at times repeating a portion of what the first had said at great length. Finally, these relics of old-world simplicity felt that they had over-taxed their friendship with the PM, and fell silent. The PM looked towards me—not a word was spoken. No more than three months old in the ministry, my knowledge was limited to the briefing given to me. I conscientiously set off to discharge my duty—iodization of salt was a very critical public health initiative. In a very simple way it protected citizens from permanent disability. The iodization process was a simple one and could be learnt by the salt cooperatives. The government had a liberal scheme to subsidize salt manufacturers to install iodization equipment. Having covered my brief, I stopped and sat back.

The PM was still staring at me, as expressionless as when I had started. Then, with minimal facial movement, he asked: '*Iss sarkar ka pradhan mantri kaun hai?*' (Who is the Prime Minister of this government?). I was dumb-struck; I did not know what I had done wrong. I muttered: '*Aap maalik hain sir.*' Then Vajpayeeji continued: 'I have ordered some months ago that the ban should be lifted. That has not been done. You were not the Secretary then; it was someone else. Has that decision been sent to your ministry?' I thought it best to keep silent. If any decision had come to the ministry my officials would not have withheld it from me. It was only later that I came to understand that NK had sent the matter into orbit. Vajpayeeji continued: 'You will issue the order lifting the ban immediately. You will not wait for any communication from my office. Look how much inconvenience we cause to these people when they have to come repeatedly. I have taken the decision; I do not want any more delay. Is that understood?' I assured the PM that the order was understood.

Back in the ministry, I called my Joint Secretary and told her that the order lifting the ban must issue on the same day. She balked—how much damage would be caused to public health, etc. Then I put the question to her: 'Who is the final authority in the apparatus of government—is it not the Prime Minister?' She looked perplexed by the question. Then, in explanation, I narrated what had transpired at the meeting with the Prime Minister. When the Prime Minister had given a decision invoking his authority as the highest in the administrative apparatus, there were no further arguments. The removal of the ban caused an uproar in the public health circles. We coped with the situation as best as we could.

Within a week of the removal of the ban, I had a new Minister. C.P. Thakur was a highly experienced medical man. At his first press conference he was asked how the Ministry could take a retrograde step of lifting the ban on the manufacture and sale of non-iodized salt. Fearing that he may say something impolitic, I whispered to him that the Prime Minister had personally taken the decision.

Those were early days and the Minister was a little cocky then, something that would be wiped out very soon. He smiled and said: ‘My Secretary has just warned me that the decision is that of the Prime Minister; but, as a medical man, I would always advise the Prime Minister that the damage to public health was enormous.’ Having said this, he magisterially looked around the room full of pressmen. He got a very good press for those remarks the next morning.

However, the minders of the PM had not missed the coverage in the press. It seems my Minister was firmly advised to stay clear of such heroic postures as the PM had a strong personal view on this issue. C.P. Thakur performed best as an obedient follower—he got the message and steered away from the topic in future. Once, when I gently prodded him to take his position on the issue during a consultative workshop, he pulled away in horror: ‘No, no, PM has very strong views on this.’

So, here we took a patently wrong decision, something which has to be done in many instances in the course of governance—in this case, public health interest lost out to the fiat of the political executive.

OUR CHILD-LIKE PM

Vajpayeeji’s uninhibited personality has widely been noted with affection. His zest for life—close friendships with many, across the socio-political spectrum and of either gender; open dialogue across doctrinaire beliefs; passion for food, drink and the other good things of life—have been his identity, even more than his political persona. It was always very nice to see the human being in him during all those impersonal and excessively dull meetings. I would like to recount one incident during a meeting called to elicit greater participation of the state governments in the HIV–AIDS programme.

At meetings taken by the PM, all attendees were treated to excellent snacks and liquid refreshments. We always looked forward to them. At one meeting, the third in the series taken by the PM that morning, the waiter went around the room serving the snacks to all the attendees. Suddenly, the PM’s face darkened and he snapped at the waiter: ‘*Tu kabhi idhar nahee dekhta. Kya hua tujhe?*’ (You never look this side. What has happened to you?). Everyone was taken by surprise and did not know what had happened. The waiter, flushed in the face, turned around with his tray and offered it to the PM. Gravely, Vajpayeeji served himself some *bhajias* and a *gulab jamun*. We did not understand exactly what had happened, but the moment passed. We returned to our discussion.

After the meeting, on the way out, we encountered the hapless waiter. He was overwrought and in tears. There were several meetings each day, and he had been told by his sahibs that the PM would not be taking refreshments on each occasion, and therefore it was not necessary to serve him. Unfortunately, the PM had taken offence that he was not served. The mystery then unravelled. Perhaps on the advice of the PM’s personal physician, the household staff had been told not to serve the PM each time there was a meeting. Seeing others eating, and not being able to join them, was beyond Vajpayeeji’s forbearance, and he had snapped at the hapless waiter. My sympathies were entirely with the PM—it was nice to see a PM savour his snack even as departmental representatives fiercely quarrelled over issues involving their turf. He has lived a long and full life and there was nothing to show that indiscreet eating or drinking had any adverse effect on it!

For decades now we have nursed the hope that multi-lateral international organizations (UN, UNESCO, UNDP, UNICEF, ILO, WHO, WB, IMF) would one day create a just and harmonious global order. However, in the last two decades cynicism has been growing. The UN is locked in an international power structure that emerged after World War II. Today, even some of the permanent members of the UNSC express doubts as to whether the existing structure of the organization reflects reality, and is suitable for effectively guiding the direction of global relations.

I have been exposed to the activities of the World Health Organization since my days as the Union Health Secretary, over a decade ago. The programmes WHO carries out in our country today are relatively minor. As far as national field programmes go, WHO's contribution is minuscule. Within its small budget, the span of WHO's activities is limited to workshops and seminars on important technical subjects. The strategy is to gain maximum visibility for the small amount expended on each event. However, WHO's potential impact need not be limited to these small initiatives with a very limited budget. WHO's stature equips it to spearhead the advocacy campaign to make healthcare accessible to all across the globe as a basic human right.

India's association with WHO was very close in the early years after Independence. The domestic funds from the central Budget to the health sector were small, and also the corpus of expertise in the health sciences within the country was meagre. We benefited hugely from what WHO offered us, both in terms of funds and expertise, in those times. It would be extremely thankless for us to forget its contribution today when India's capacity to provide for the sector from its own budget and human resources has increased manifold. WHO's global budget has shrunk greatly and today is utilized principally in meeting staff expenditure. But, it still is a powerful voice in determining the international discourse in matters relating to the global health sector. Also, unlike the multi-lateral agencies linked to the trade and commerce sectors where the first world countries comprehensively dominate the policies, WHO still has a significant mentoring role in the global health sector. It is not WHO's role today to directly provide health services, but it can perform a useful role by influencing macro-global policies having a bearing on the health of citizens, and also by serving as the knowledge hub and global guidance bureau for all interventions that have been proved effective in different healthcare settings.

Globally, public health is going through a sea-change. Most of the developed countries are facing a crisis situation in sustaining their healthcare systems. Though these countries in their financial and production sectors are die-hard market economies, the State shoulders a large financial responsibility in the social sectors (health, education, social empowerment, etc.). With health systems that rely heavily on private service delivery funded by the State, the countries are facing a serious resource crunch.

In the developing countries the problem is, of course, much more acute—not only are they required to design viable models for delivery of health services in their local settings, but they are also required to raise the resources to provide these moderately expensive services. Looking at the range of global problems in the health sector, it is clear that WHO has its task cut out for it. Enormous space for leadership is available to WHO for spearheading the global movement in designing health systems

that suit local settings and are affordable and sustainable over long periods. In the past, Dr Gro Harlem Brundtland during her tenure as the Director General of WHO, undertook a prominent role during the WTO negotiations in Doha in the year 2002. The concessions, that the countries of the world have eked out within the TRIPS regime, to meet health emergencies, are a significant gain, particularly for the developing countries. WHO's advocacy during those negotiations was decisive. We would be well-advised to strengthen our links with the organization and jointly advocate the global policy initiatives that are so necessary for efficient and sustainable health systems spread across the globe.

At this stage, it would not be out of place to mention that because of several favourable factors, India has a major opportunity to play a significant role in WHO's policy formulation discourse. India, along with China, constitutes around 40 per cent of the global population, and an overwhelming proportion of the population of the developing world. India also has talented and trained manpower in various components of the health sector. With its experience since Independence, India is a notable producer and exporter of generic drugs, not just to developing countries, but also as the price-setting exporter to developed countries. With relatively inexpensive trained manpower in the pharma research sector, India is a natural hub of future pharma research. With all these advantages, some of which are shared with China, India has the unique leverage of influencing the global health system, so that it secures the requirements of the developing countries. It is in the strategic interest of India that it takes a leadership role in the activities of WHO.

I served as India's Director on the Executive Board of WHO for three years and Vice-Chairman of the Board for two years. In the backdrop of my own experience I would admit that we have not always recognized our potential leverage in this important policymaking body. I recall with some embarrassment my first experience of the Executive Board meeting of WHO. After a week full of firefighting on many emergent issues within the Ministry, I boarded the flight to Geneva with a briefcase-load of unread agenda papers that had been handed over to me by my officers. They had reassured me that the discussions were only general in nature. My preparation for the meeting was limited to whatever best I could do in the ten-hour long flight. I expected the proceedings to be mainly assurances of global cooperation in broadband issues located in the intellectual stratosphere. An hour into the meeting, I realized that this was a different ball game. While many of the smaller countries made vacuous statements which led to almost nothing by way of action, some of the countries were treated as opinion-makers. Whenever the Indian flag was raised requesting recognition by the Chair, the bored and straying gaze of the representatives immediately snapped to attention. What we had to say was heard with rapt attention and became the trigger-point for subsequent discussion. This was not because of something extraordinary that the Indian representative had to offer, but because he was seen as a spokesperson for a significant proportion of WHO's global constituency. A similar respect was shown to the representative of China. WHO is a rare global institution where importance is given in the course of the proceedings to the context of the size of population, the disease-burden and the future growth potential—the economically advanced First World countries do not altogether dominate this forum. India and China are treated with respect as influential voices of the developing world. After my first hour in the Executive Board I realized that our preparation for the meeting had to be

based on a different approach and required a different degree of rigour. Overnight, the other member of the Indian delegation—the Director General of Health Services—and I, burnt the midnight lamp and got our bearings on the agenda, and finalized our positions on the issues likely to arise. For the subsequent meetings, I made it a point to be fully prepared well before I boarded the flight to Geneva!

Before closing this section of the memoir, I cannot resist one broad observation on the governance of the social sector. Urban India today constitutes an extremely gung-ho community of people. At least up to the level of the middle class, all consider India to be an emerging global power. All our goals are set in terms of production and growth indices. All the assessments of the progress we are making are clothed in expressions of macho-triumphalism. It amazes me that the same section of the community does not turn its talent to the more obvious challenges staring us in the face. Some of the high-achievers could consider adopting a modest goal of establishing an ordinary primary healthcare system in the country as a whole within a period of five years. If they came anywhere close to it, they would certainly deserve to be lionized as world-beaters!

Gujarat: Societal Dynamics

Gujarat is very much a part of my blood—I am a son of Gujarat’s soil, after all. While I had grown up in UP and to a great extent absorbed the social ambience of that state, once I went to Gujarat I was curious to discover the social atmosphere in my place of birth. In India the different states are very disparate in their socio-cultural features. UP, where I grew up, is of a size where, if it were independent, it would be the one of the largest countries in the globe. Looking at the differences between the states, it could scarcely be expected that socio-culturally, Gujarat would only be a minor variant of UP.

Gujarat has always been the magnetic pole of the free market in India. Even in the days of welfare socialism, Gujaratis were reluctant believers in that ideology. In the old days of State dominance, Gujarat was always looking for private partnership in various State initiatives. The state has a long tradition of social philanthropy. Funds are collected on sectarian lines (caste, religion, region, etc.) and used for charitable purposes, quite often extending to beneficiaries outside the sectarian identity of the charity. Thus, there are numerous bodies, small and big, distributing humanitarian charity—*langars* for the poor, scarcity relief, educational assistance for the needy, vocational training for widows, etc. The philanthropic activity is carried out as a duty performed in the service of our Maker. However, speaking objectively—and specifically not disparagingly—Gujarat has barely any tradition of the egalitarian philosophy.

The caste gradations are largely treated as natural physical features of society; even the disadvantaged sections seldom speak of the removal of these gradations. They would only wish that their particular section should, through some magical transformation, be converted into the socio-economically favoured section. Amongst the ordinary people there seems to be little recognition that in society there is a close convergence between caste and economic class. While the underprivileged would certainly chafe under economic inequities, they do not see this particularly reinforced by the caste structure. As will be recounted in greater detail later on, the KHAM political configuration set up by Madhav Singh Solanki did, in a tentative way, probe the structural faultlines in society and attempted to manipulate it politically; but this, as a political base, did not prove substantial enough for the survival of the front. Also, this was not based on any conviction in an egalitarian ideology, it was merely an alliance of convenience to wrest political power.

It is my perception that the KHAM alliance will eventually be restored, as the original constituents are natural political allies; but, their chances of attaining stability in the power structure would markedly improve if their core belief embraced an element of egalitarianism. Continuing with a pyramidal power structure, even if the different layers in it get interchanged, would not make for a stable societal structure. One cannot but help acknowledge that, in a crude sense, egalitarianism is captured by Behenji’s political doggerel: ‘*Jiska jitna palla bhare, uski utni hissedari.*’ (As are your

numbers, so will be your share). This vision does not constitute a harmonious structure of society, but I believe that this has the possibility of eventually evolving into a natural egalitarianism not bound by the quotas. The positive feature of this dictum is that it recognizes the claims of the economically backward castes; it has in it the seed of a casteless, plural, egalitarian society.

I have often found, to my embarrassment, that even intellectually sophisticated people sometimes make disparaging remarks about the social trend towards the restructuring of the Indian society. They assert that it was V.P. Singh who brought about this turmoil in society. As though, if V.P. Singh had not opened the Pandora's box, society would have remained unchanged. One has to be very blind to miss the fact that the iniquitous social structuring has existed in our society for thousands of years. Whatever be the circumstances in which this came about, it is obvious that it is in conflict with the values of a democratic society that we have faith in now. Maybe a millennium ago, the structure fitted in with the style of life, and individuals did not find the limits of social mobility unacceptably restrictive. In today's global situation, with its level of interaction and the ease of knowledge transfer, it would be impossible for anyone to assert that in the Indian society, the role of each caste should be determined by social boundaries set several thousand years ago. If V.P. Singh had not recognized this social faultline, someone else would have. Or, if the aspirations of these sections were bottled up indefinitely, it would have led to a societal explosion. The belief that our iniquitously stratified society would have thrived unchanged but for the raising of this ugly caste issue, is a simplistic and self-serving assertion.

Like in many other states, Gujarat's power structure has, in the course of its history, been dominated by the upper castes—Brahmins, Kshatriyas, Patidars, Vantias and Jains. This would apply to both the major political parties—the BJP and the Congress. For the first twenty years after the creation of the state, the Chief Ministers were all of the upper castes: Jivraj N. Mehta, a Vania; Balwantray Mehta, a Vania; Hitendrabhai K. Desai, an Anavil Brahmin; Ghanshyambhai C. Oza, a Brahmin; Chimanbhai J. Patel, a Patidar; and Babubhai Jashbhai Patel, a Patidar.

The first breakthrough for the children of a lesser God came in June 1980 with the assumption of the Chief Minister's office by Madhav Singh Solanki, a *thakarda* coming within the broader grouping of OBCs. He was followed by Amarsingh Chaudhary, a tribal. Between these two, they shared nearly ten years as Chief Ministers. The Congress could never make a comeback to power after March 1990; the BJP has dominated power since that date. The BJP has continuously retained power, with the representatives of the upper castes and the OBCs being in and out of the revolving gate at the Chief Minister's office. For the last nine years we have an unusual phenomenon—Narendrabhai Modi is the unchallenged political power hub in the state, and he is from the Ghanchi community—the oil-crushers—a caste which is considered educationally and socially extremely backward.

The breakthrough in Madhav Singh Solanki's time was really a landmark event. For the first time, a coalition of have-nots—Kshatriyas, Harijans, Adivasis and Muslims (KHAM)—unseated the traditional upper-caste monopoly of political power. However, the opportunity won by Madhav Singh was wasted. His rule was a period of rampant maladministration and corruption. No significant socio-economic initiatives were undertaken that benefited the ordinary citizens who had backed their alliance. At the most, it could be said that the spoils of office were transferred from the upper-caste

group to select carpetbaggers from the new alliance.

The erstwhile upper-caste power consortium did not take kindly to this change of situation with the fulcrum of power being transferred to the backward classes. Moreover, Madhav Singh's regime did little to endear itself to the members of their supporting alliance. The upper-caste consortium made a comeback through the resourceful Chimanbhai Patel; he used his wheeling-and-dealing strategy to stabilize his alliance. Chimanbhai's standing amongst his own patidars had always been unchallenged. Added to this was Chimanbhai's extraordinary talent to keep key members of other groups happy through 'political management', as he once shared with me with a patronizing smirk.

THE UNINVITED CHIEF GUEST

Narendra Modi's rule in Gujarat over the last nine years is, in a sense, a freak deviation in the socio-political evolution of Gujarat. Every category of caste covers a wide range of quantum levels of empowerment. While Narendrabhai belongs to the broad OBC category, he is from a sub-sect that is particularly excluded from the power structure. Modi's rise to power is surprising in the BJP, as this party is generally perceived to be dominated by the upper castes. In that context, Narendrabhai is the uninvited chief guest at the high table of power. He brought about this miracle of dominating the BJP by his 'across-the-board' recourse to Hindutva. In an overarching sense, political dynamics is driven by economic forces. However, from time to time, the political players may find it expedient to disguise these forces by using other identity labels—language, religion, regional employment, etc. As far as the Hindu–Muslim relations go in Gujarat, the relatively insignificant numbers and weak economic status of the Muslims should normally make its community identity a non-issue. However, there is no denying that the names of Muslims show up in disproportionate numbers amongst the mafia and the underworld. This causes unease and apprehension against the minority community in the minds of the common citizens. However, all aspects considered, it is surprising that the Hindu–Muslim faultline could be exploited on such a massive scale in the state, considering the Muslim community is not a rival to the majority community in the state's power structure. During my service period in Gujarat, while I was conscious of considerable underlying tension between the two communities, it was impossible for me to foresee that this could result in the conflagration that we witnessed in the year 2002.

From time to time communal issues have been used for political ends, but generally as one out of many, with the objective of consolidating vote-banks. For the first time, Narendrabhai raised the issue of Hindu nationalism as a principal one, overshadowing all else. The fundamentalist Hindu organizations had, of course, been working hard at the grassroots level, penetrating different sections of society to sharpen the interface with other minority communities. Narendrabhai pitch-forked the Hindutva issue to such a level that it became the sole issue, over-shadowing all others, like poverty, unemployment, social discrimination, lack of healthcare, inadequate access to education, etc. By the year 2002, the majority of the Hindu community of Gujarat, particularly in the urban areas, across all socio-economic levels, had consolidated as a solid phalanx, battle-ready. The underprivileged—tribals, OBCs, Dalits—all put aside their discontent relating to economic deprivation, and joined Narendrabhai's single-point crusade for Hindutva. The social and political tsunami that swept the

state is well known and needs no recalling. However, it needs to be pointed out that the social anarchy that was let loose was not entirely the doing of Narendrabhai and his committed army. The members of the other political party of the state—the Congress—were also seen to be as supportive of the anti-Muslim tirade as Narendrabhai's party. As a matter of fact, many objective social observers of those events assess that much of the violence and carnage, particularly in the rural areas, was the handiwork of local Congress supporters, though the party ostensibly maintained a distance from the events. It would appear that the ruling BJP in Gujarat, over time, created an atmosphere in which even the underprivileged from the majority community joined the fundamentalists, in what to them was an enormous catharsis in the societal pressure cooker.

To provide some balance when commenting on Modi's impact on the state polity, it would also be appropriate to touch upon his impact on the state's governance. At one level, Gujarat is often mentioned as a well-administered state—this is, in a way, a commentary on the abysmal standard of governance in many of the other states. However, as I see it, Modi really has little concept of the science of public administration or the organizational structure required for governance of a state. His organizational model is maximally centralized. He has no faith in the Cabinet system of government. His Ministers are held on a short leash and must turn to him for anything he considers important. Strangely, he is more comfortable in his dealings with the bureaucracy than in his dealings with his political peers. However, even in his dealings with the civil servants, he retains the absolute right to intervene at will. With such a centralized model of governance, State and societal institutions also have no relevance and gradually atrophy.

Here it must be clarified that the consuming passion to run institutions to dust actually originated earlier in Chimanbhai Patel's tenure. Chimanbhai was an egotist who had no use for systems and institutions. He believed there was nothing that he did not know and could not set right himself, through 'management'. He used to openly mock institutions and institutional values. He retained absolute faith in his mantra of 'political management'. Modi follows a variant of the same school of philosophy.

In order to provide a balanced assessment of Modi's performance, it must be recorded that he has brought about a modicum of discipline in the administration—much like the fear-driven improvement in the performance of public services during the Emergency. It is also reported that the incidence of corruption at the interface with the citizen—that is, at the retail level—has been reduced markedly. However, the previously existing institutionalized organizational structures have been abandoned. In a state with a six-crore population, and a highly stratified socio-economic structure, mere GDP growth rate is no indicator of the success of the government. The wealth and income distribution over the population profile in the state is highly skewed, and large sections are denied access to even basic subsistence needs. While its annual per capita GDP places it amongst the high-ranked states, the hunger level in Gujarat today is higher than even West Bengal and UP; also, the income differential between different sections is even more skewed in Gujarat than in the two mentioned states.

The liberalized growth model maximizes GDP growth, and counts on the rising tide—over a period of, say, two decades—to lift all boats. That assertion, shorn of its hype, may well be true. However, few of us squarely face the question of how we can manage the interregnum in a humane

manner. The economically empowered, which ranges from the elite to the middle class—where I am squarely positioned—find it uncomfortable to confront this question. There is a never-ending academic debate about what percentage of our citizenry is economically disempowered, (i.e. below the poverty line). The poverty estimates are varying numbers based on slightly differing assumptions and methodology, none of which can be called unrealistic. For purposes of governance, the vulnerable would not just be the BPL category, however defined, but must also include the section just outside the norm, that would fall into the BPL trap with one catastrophic episode in their lifecycle (one failed monsoon; one heavy flood; one serious episode of illness in the family; one daughter's wedding in the family; even one economic down-turn in the First World economy). Taking an overview of the various estimates of poverty, as modified for the various factors listed above, it would not be an exaggeration to say that it becomes the responsibility of the government to oversee the welfare of a vulnerable 50 per cent of the population. The first priority of governance should rightly be the adoption of a growth model that maximizes basic entitlements at a subsistence level, delivered 'here-and-now'—nutrition, basic healthcare, primary education and a no-frills dwelling unit (four walls with a roof). The prospect of an economic utopia two decades down the road can never replace the 'here-and-now' subsistence needs of such a large section of the country's population. On the rare occasions that I can bring myself to break away from the inherited mindset of my social class, it appears self-evident that had I been in the disempowered half of our society, the growth-maximizing development model would have appeared obscenely irrational to me. Looking at even the modest societal requirements at the BPL level, the liberalized growth model has shown up as grossly inadequate. The broad welfare gains from this model of growth have been disappointingly inadequate. The minimum subsistence entitlements of the vast numbers of the underprivileged are not mere optional extras to their lifestyle—they are the facilitators for survival. Sooner than later, the underprivileged sections will question how this model of governance in Gujarat, with its extraordinary growth rate, has little to offer to meet their subsistence needs. Modi's day-to-day administration may to some degree be efficient, but, as we all know, this constitutes only a small portion of the responsibility of governance. In view of his misshapen model of governance, whenever Modi's tenure ends (as it must one day, and I am making no predictions!), Gujarat would be left an administrative wasteland, requiring a root-and-branch organizational restructuring.

Before closing this section I find it appropriate to offer a few comments on Narendra Modi as an individual. There is no gainsaying that in his own way, Modi has reached across an enormously huge social chasm, to establish his iconic political identity. It is no insignificant matter that an individual with so many social handicaps (familial poverty, no community tradition of education in his segment of the society, absence of a supporting caste network, and an all-pervading social bias integral to the stratified caste system)—which would normally be expected to drag down his aspirations—has overcome them. Despite all that, Modi has established himself as an unchallenged political titan of Gujarat in the last decade. Many of us are no doubt hugely disappointed that he lacks a basic moral compass required by any pre-eminent public functionary to pilot his vaulting ambitions. But, despite all these conflicting features, his spectacular rise certainly demands a substantive explanation. As I perceive it, Modi possesses an array of significant attributes that has helped him overcome his

several ethical incapacities. His noteworthy attributes include: a seemingly unstoppable ambition to succeed; a deeply intuitive sense of survival; an out-of-the-box capacity to strategize; a subliminal understanding of the whims and secret dreams of the average voter; and finally, a ruthless capacity to cast aside any moral speed-breaker when his political stakes are vitally involved. This list reveals that the attributes are not of an insignificant magnitude, even if in ethical terms they are a mix of the good and the bad. All in all, these are some of the specific strengths that have propelled Modi on his political odyssey. Modi is a public leader of some substance. He has grappled with all types of rivals and single-handedly won each inch of the political space that he now dominates; he is not a product of chance.

RESTRUCTURING THE SOCIETAL POWER DEAL

The communal riots of 2002 have come and gone. Now what? After such a bitter period, the healing of society is a slow and painful process. There are still no signs of remorse amongst those that were the participants in this bloodbath, nor any significant signs of society's return to normalcy. While it is difficult to predict the prognosis, I would venture to suggest a possible eventual outcome, though it may take a long time in emerging.

Religious fervour is not a natural and durable base for political dynamics. Even the Babri Masjid tsunami seems to have run its course. Religious faith, no matter how deep-rooted, is more an individual and less a community function. Normally, one engages with religion in the peace of one's mind, not in the heat of market dialectics. To my mind, economic issues form the natural base of the political system—food, clothing, housing, entitlement to various basic goods and services, systems of governance that make these necessary components accessible to all, and a robust legal system that ensures that the rights and entitlements are settled to the objective satisfaction of all without recourse to use of force. I would expect that once this freak hurricane of communal hate in Gujarat has spent itself out, people would revert to practising their faith in the quiet of their hearts. In that atmosphere, the dynamics of politics will revert to issues relating to economics and the harmonious functioning of societal institutions. Of course, I realize that many of the worldly-wise may think that this view is a naïve form of self-delusion; but I do believe the storm would abate sooner than later. I would also expect that with the passage of time, the social underclass—Adivasis, Dalits, OBCs and Muslims—would learn to work the social dynamics in tandem, to strive for social empowerment and to obtain their basic entitlements. For the religious minorities this would also mean security of life and property. Prima facie, the four social groups mentioned above are natural allies in the dynamics of the social polity existing in the state today. The coalition Narendrabhai has built, which really is a front for patidar power, may not be able to resolve its inherent contradictions. Right now there is no one in Gujarat to try to prise open the inherent contradictions between the interests of the patidar power-hub and the underprivileged sections at the periphery. The Congress party in the state is also dominated by the upper castes, though, even otherwise, it cannot be said to have any quality leadership. At the present point of time, the Congress party can be said to be close to comatose. However, sooner or later, I would expect that the power axis of the lesser privileged sections will establish itself and disturb the stability of the current ruling dispensation.

If re-polarization of economic groups does not occur through the play of macro-political dynamics, it may well be the internecine struggle within the BJP that brings about a reconfiguration. While the patidar group does effectively function as the dominant caste group backing the government, they may not remain satisfied with the situation in which Narendrabhai, an OBC, heads it. As it is, Narendrabhai is a very strong-minded person and by habit he does not allow any other personality to share the key responsibilities. The patidar community has many ambitious leaders who would like to be the power centres, and they are not very happy with the situation in which they are overshadowed by Narendrabhai's personality. Sooner than later, the existing Hindu political monolith is likely to weaken. For one, in socio-economic terms, the Hindu community is too divisively structured to continuously play state politics as a monolith; and for another, the current alliance is maintained only through one dominating personality, and not everyone in the political alliance is reconciled with the situation.

Discharge of Rajdharma? 2002

In my career of nearly four decades of public service, the last phase turned out to be, perhaps, the most painful. In end-February 2002 we suffered the horrific crime of the burning of the Sabarmati Express at Godhra station. Almost immediately after that, an unprecedented pogrom was launched against the Muslim community of Gujarat state, holding it responsible for the killing of the *kar sevaks* in that gruesome incident. It was an incident within the jurisdiction of the state government, and I as the Union Health Secretary, should not have been officially involved in the subsequent developments in any way. However, events turned out otherwise.

Within a day or so of the breakout of the violence in Gujarat, it had become clear to all that the NDA government at the centre was embarrassed by the developments, despite the fact that the state government was of the BJP. The PMO suggested that the Union Health Ministry should intervene at least by way of providing medical relief. However, there was no scope for this, as the state government insisted that everything was back to normal, and no central assistance was required. I learnt that the PM had called the Health Minister and asked him to devise a modality to intervene without raising the hackles of Narendra Modi. Ashok Saikia, Additional Secretary in the PMO phoned me and said much the same thing, though in bureaucratic understatement. I explained that any attempt on our part, without a request from the state government, would create a conflict with the state government. The next day Ashok phoned again and said that the PM desired that the intervention be taken up under the flag of the Indian Red Cross Society. He elaborated that that the PM was distressed that an impression had gained ground that no relief measures were being undertaken, and that the state government was in a state of denial. The PM had spoken to the Health Minister and told him to proceed at once to Ahmedabad, along with me. The insistence that I accompany the Minister was, perhaps, because I was the seniormost Muslim officer of the central government, and my association with the post-riot situation, however slight, seemed an understandable move by the government. Shortly after that, the Health Minister called me and said that I must speak to the Chief Secretary and finalize a tour programme at the earliest.

The man in the Chief Secretary's hot seat was my batchmate, G. Subba Rao. On the face of it he was very welcoming—yes, he would have a programme drawn up and send it to us at the earliest. A programme did arrive, but it involved unnecessary meetings, and it carefully avoided a visit to the relief camps in the worst-hit areas. The Health Minister had received information from the PMO about the dismal living conditions at the camp located at Shah-e-Alam; he was keen on visiting that relief camp. The Gujarat government felt all was normal there, and opposed it firmly. Finally, the Health Minister had to agree to whatever programme was suggested by the state government as there was no other way of obtaining cooperation for the uninvited trip to the state.

The long-deferred visit was crowded with a number of meetings with officials from the health and

police departments. We were given a PowerPoint presentation at the start of the visit. As is the case with all PowerPoint presentations, it was well-structured, though without substantial content. After that, we began our visits to the relief camps, excluding the one at the Shah-e-Alam, of course. The campsites were packed thick with refugees and plain-clothes men. Reasonable facilities had been provided for a relief camp setting. However, most of the inmates of the camp had lost their houses and all their belongings, and there was no plan for their rehabilitation. As the Health Minister moved through the crowds at the camps, the inmates tentatively tried to raise the issue of their rehabilitation. At once a phalanx of plain-clothes men created a swirl of movement, driving the Minister towards another direction. The Minister must have seen this obvious ploy as clearly as I was seeing it. However, given the situation in which the State government in power was of the same political colour as the Central government, he had to grin and bear it.

After the camp visits, the cavalcade made its way to the Circuit House where we were to have lunch. My Health Minister was in one car with the state Health Minister, and I was in another car.

Ashok Bhat, the state Health Minister, was known to me from earlier times. He was an MLA from the Khadia constituency of Ahmedabad city, a BJP stronghold, and a locality known for its political turbulence. I had known him from the time he was an uncontrollable student leader. Despite his incendiary reputation as a BJP activist, we had a remarkably amiable relationship. As Collector of Ahmedabad district, I lived in a bungalow in Shahi Baug, and he as the Chairman of the Gujarat Slum Clearance Board was living next door. Ashokbhai's mother lived with him and my mother had come to visit me during that period. Anyone seeing the two old ladies together would think that they had been lifelong *sahelis*! Despite Ashokbhai's opinion on the status of the Muslim community in Indian society, and also despite the reservations I had about the BJP's confrontational view of society, in all honesty I must say that I warmed to his friendship. The problem, I perceived, was that Ashokbhai's cerebral world was only populated with ideas in black or white; his way of thinking treated any nuanced position as only a betrayal of faith. I have always felt that had he not been weighed down with the BJP dogma, he would have been quite a regular guy.

After the round of the relief camps, we arrived at the Circuit House for our lunch; one glance at my Minister made it plain that something had seriously gone awry. The Minister's face was ashen and he looked disoriented. He took me aside and narrated what had transpired in the car, and this went well beyond any tale of fiction. It seems that in the car my Minister had again raised the question of visiting the Shah-e-Alam camp. Perhaps he felt compelled to do so, as that camp had been mentioned by the Prime Minister as particularly deserving a visit. On hearing the renewed request, Ashokbhai went completely berserk. He screamed that my Minister doubted his word when he said that the Shah-e-Alam camp was in good order. He was flushed in the face and stammering to the point of incoherence. At one stage, with a manic glint in his eye, he told my Minister that if he pressed for going to that particular camp, he would jump out of the moving car in protest! Knowing the temperament of my Minister, I realized that this must have been a horrific experience for him. My Minister avoided unpleasantness at any cost. He had a political approach that sought a middle path between even the two most divergent positions, regardless of how directionless that middle path may turn out to be. That Ashokbhai was provoked to the extent of almost losing his mind, must have been a

traumatic experience for the Minister.

DUEL OF THE MAHARATHIS

After our unsatisfactory visit to Ahmedabad, my Minister made his report to the Prime Minister. Many of the leading personalities, even within the BJP, were showing acute discomfort at the attitude of the state's Chief Minister. Shortly after our visit to the riot-affected Ahmedabad, Narendra Modi visited Delhi for the first time after the riots. The PMO convened a review meeting. As expected, amongst the officials the Home Secretary was asked to attend; to my surprise, I, as the Union Health Secretary, was also asked to attend. Narendra Modi came to the meeting with a large troop of officials, all of whom were my friends. As is usual on such occasions, a PowerPoint presentation was made. It was very skilfully structured—but, as in almost all PowerPoint presentations, it made out that everything was in perfect order. The PM raised some questions; clarifications were given. Narendrabhai, in his usual declamatory style, announced how the response of the state machinery had been prompt and effective.

The PM sat slouched in his seat bearing his trademark pout. He looked distinctly uncomfortable. With his literary flourish, he had earlier told Modi during his visit to Ahmedabad that the ruler must discharge his 'Rajdharma'. During a break in the interaction, the PM altered the drift of the discussion. He mentioned that there had been reports in the media that the relief camps were being shut down prematurely. In fact, that was an understatement—the media had been lambasting the state government for this and had been attributing the worst of motives. Modi took off immediately, saying that the state government had a standard policy for providing relief to the affected people for loss of property and dwelling units. He mentioned the number of the affected who had been provided relief doles, and assured us that the work of compensating the balance of the affected people was well underway. He also said the inmates of the camps were eager to return to their localities and were doing so on their own volition, and consequently the state government would be closing the camps. Modi's response was followed by a long silence. The PM broke it, saying that his information was that several of the families in the camps had completely lost their dwellings. The state government was giving some small amount of compensation. But how would they put a roof over their heads in those amounts? Even otherwise, reconstructing their dwellings would take time—where would they stay in the interim if the camps were closed?

The exchange settled heavily over the meeting—everyone understood that the two *maharathis* of the party had locked horns; there was a marked faultline between the two. Modi would not yield easily. He argued that extended continuation of the camps only heightened tension and delayed the return to normalcy.

L.K. Advani, as Home Minister, was also present at the meeting, though he did not utter a word. He was reported to be suffering from laryngitis—no one clarified whether it was viral or diplomatic! The PM had pushed his point to the maximum. If he pushed it more, there would be an open rift. He did not have the stomach for this. With some casual remarks he indicated that he was on the point of concluding the meeting. Just then an official sitting in the second row got up—he was from the Press Information Bureau. He asked who would be briefing the media. The PM, who had been slouched in

his seat, came to life: ‘The Chief Minister—why do you ask?’ Modi stiffened. Given his political strength at that point of time, he could defy the PM, but the media was a different proposition. He knew that the PM had seen an opening and struck immediately. Never at a loss for words, Modi went into a spiel that this time he had come on a flying visit to brief the PM, and that he wished to brief the media at length during another visit when more time was available. He promised that when he came next he would block out an adequate period of time for a session with the media. This was followed by silence—everyone saw through Modi’s diversionary tactic. The hapless official from the PIB got up again: ‘Sir, there are some 200 journalists and photographers waiting at the gate for two hours; someone will have to brief them today.’ The PM then slowly swivelled towards the Chief Minister and in his slow drawl said: ‘*Aap karoge.*’

I had listened to the exchange with interest. In the evening I made it a point to see the TV news to find out how Modi handled it. With his characteristic bravado, Modi held his own. Some dramatic claims, some loud rhetoric and a promise to meet the media at greater length during his next visit, and he was safely through this test. It was quite clear that Modi was satisfied with having foiled the media; he had no intention of using the media to communicate heart-to-heart with a wounded citizenry.

WHERE WERE THE CIVIL SERVANTS?

Reflecting on those horrific incidents in Gujarat—the train carnage and the communal riots that followed—I cannot hold back from touching upon the role of the civil servants in those abnormal times. I have been, and even in retirement continue to consider myself to be a proud member of that Gujarat civil service family. I can never be harshly judgmental about them. However, the enormity of the incidents was such that the question—whether the role of the civil servants could have been different—forces itself upon us for consideration. It is just not possible to steel one’s mind and shut out the angst.

In the Gujarat of the past, the administration enjoyed a very good reputation. This is not just self-praise. As deputationists from Gujarat state to the centre, where we were inevitably compared to the deputationists from other states, we soon realized that our skills were valued. From the early days, the relationship between the civil servants and the citizenry was a close one in Gujarat. Administrators could not remain aloof; the language of administration was Gujarati, which made the relationship closer. The Gujarat officers enjoyed the reputation of being able to deliver results without much fuss. They were also reputed to be innocent of officiousness. In our deputation assignments in Delhi, when some complex item of work required attention, the boss would, at times, turn to ask: ‘*Are kahan gaya woh hamara Gujjubhai?*’ (Oh, where has our Gujarati brother gone?). Starting from there, it is difficult to fathom how the administration came to the position of being accused of abdicating its responsibilities in the year 2002.

For several days there was a virtual constitutional breakdown in the state. Organized gangs of looters and arsonists scoured the city looking for targets among the minority community. There was no sign of State authority trying to halt this; in fact, there was evidence to show collusion of some of the state functionaries in the perpetration of the genocide. However, through all these cataclysmic events, there was little show for the presence and impact of the higher civil services (Indian

Administrative Service and Indian Police Service) in controlling the situation. A few officers, who could be counted on the fingers of one hand—the defiant ADGP, Intelligence; the plucky DM of Godhra, where the spark was first lit; and the courageous District Superintendent of Police, Bhavnagar—by word and action discharged their roles as the mandatories of the Constitution, and enforced the law to the extent it was possible in those strained circumstances. Most of the others, though they did nothing that could be called active collusion with the lawbreakers, remained utterly passive. In such a serious situation, the constitutional mandate of the civil services required that they come out openly in the enforcement of the law and the restoration of public order. The immense professional standing that these civilian officers enjoy in society would have, to some extent, staunched the uncontrolled bloodletting.

I am well aware that I speak from a safe distance away from the scene of action, and did not face the heat of that moment. But, the situation we talk of was an exceptional one—in one's whole career a civil servant may not face even one such situation. In lesser situations, the thought of over-stepping the immediate superior in the line of command would be an act of blatant insubordination. But in this case, the circumstances were exceptional—lawless hordes killed, maimed, raped, reduced to cinders the dwellings of members of the minority community. The agents of the state just looked on; in some cases it was reported that they even colluded. Once the sacred professional code is violated through participation in such a crime, there is no easy redemption. Any objective observer, without the slightest exaggeration, would assess that the Constitution had broken down. It was plain that protection to life, limb and property—a fundamental right—was denied to the target community on a selective basis. In short, several irreducible constitutional rights were denied to a particular community in those days in full view of the agents of the State. These exceptional circumstances, would, I believe, have stirred at least a few of the more bold civil servants, to clearly tell their chiefs (whether political or executive) that, as they saw it, the constitutional provisions were being openly flouted and that they, at least in their own jurisdiction, would be enforcing the provisions through lawful State action. I know the circumstances under which these officials were working then, and the burden borne by them on account of the Chief Minister's not-so-hidden intentions. Civil servants are not expected to play the role of martyrs; in the ultimate reckoning they are employees earning a living in an honourable profession. I certainly would not wish them any harm at the hands of the powers-that-be as a result of the discharge of their duties. But, at least a couple of civil servants could have been pushed by their conscience to refuse to respond to the unlawful expectations and directions of the powers-that-be. I would have at least expected that when the instructions and expectations crossed the '*Lakhsman Rekha*', a few of these bravehearts would bring themselves to say: '*Saheb mafee chahun choon, pun ae mara the na thai*' (Sir, I seek your forgiveness, but this I will not be able to do). Yes, there would be consequences. But what is the worst that could happen? A member of the IAS or IPS is a well-protected animal under the Constitution. Summary withdrawal of the pleasure of the President, leading to his disengagement, is an unthinkable possibility in the situation then existing. No one could have been peremptorily sacked for refusing to take an illegal order, or for refusing to desist from taking lawful action. The worst was a transfer and exile to the boondocks for a few years. I cannot help but feel that many who were in the eye of the storm, in the calmness of time at a later

date, would feel a nagging guilt that they had misstepped in their instinctive judgement by failing to respond to that crisis situation. It is not impossible that the sudden jolt of independent action, if delivered by a few bravehearts, would have broken the momentum of the diabolic death dance. Even if it didn't, it would have at least redeemed the original ethos of the civil services. For most days in their career, most civil servants play the role of a superior manager. I do not intend to be derogatory while saying this (how can I, after all I am a retired civil servant), but their role is that of a mercenary working under their master. It is on rare occasions (once in a quarter century, or so, and not more frequently) that he is called upon to discharge an enhanced role as an independent public servant directly mandated under the Constitution. It would be a matter of great disappointment if history, in its long-span verdict, held that at the time of the riots of year 2002, Gujarat was administered by salaried managers, and not by constitutionally mandated public servants. If such a verdict is reached, it would take an aeon of determined effort before the civil service cadres could reclaim their pristine ethos. Given the age of the individuals who had failed in discharging their constitutional mandate, redemption, if it came, would be much after their lifetimes.

Communalism? What is That?

While planning this memoir, I pondered over whether I should devote a section to the issue of communalism in our society, as seen through my mind's eye. Communalism today is an all-pervasive poison of the societal environment. I have never in my life undertaken a leadership role on social issues and would, therefore, not be an obvious choice for commenting on such an issue. However, on reflection I came to the conclusion that it would not be fair for me to duck the issue. As a citizen from the minority community of Muslims, who discharged reasonably important functions as a public servant in the administration, it would be evasive if, in these memoirs, I made out that this issue did not exist.

My first exposure to mental confusion as a result of tension between sections of society belonging to different communities was on a day which has gone down in history as the nation's saddest day. I was five years old. I still remember the bits and pieces of the events. We had an afternoon bridge party at our house—very much a part of the colonial social tradition that so easily came to be adopted in the small section of the community that had experienced English education and social mores. All our uncles and aunties were there that afternoon, soaking in the warm winter sun on the front lawn. The guests were done with eating the snacks and drinking the tea. The sun had begun to set and the party was close to winding up. Suddenly, in one group of guests there was a rush of excited conversation. Someone rushed up to my father; along with a few others my father rushed into the house and switched on the radio—a large box with several glowing valves in the back of it. News spread like wildfire, from mouth to mouth, cluster to cluster. I, who had been the centre of attention of the aunties, was suddenly abandoned by them. They were preoccupied. The party atmosphere stiffened in an instant. Not understanding the change, and anxious about the tension, I clung to my mother's knees. Between hurried talk with her friends, she mentioned that Bapu had been assassinated. I was too young to understand the import of that, but could sense that it was something which had disoriented everyone. The party wound up immediately; only a few uncles remained in animated discussion.

For the next few months there was palpable tension, though I could not make out for what reason. At night, groups of uncles, which often included my father, took turns to patrol the neighbourhood, armed with their shotguns. As a five-year-old kid I could only sense that we were guarding ourselves against some unknowns. It was only a decade later that the import of those happenings percolated my understanding. In some hazy sense, I realized that communal tension had engulfed the country and the uncles and aunties were taking precautions to see that no hoodlums entered our estate. It was 'them' against 'us'; 'us' included all our uncles and aunties. Bapu's assassination had triggered the tension and though it was palpable, it was unthinkable that it could actually involve our uncles and aunties. The regular armed patrolling by groups of uncles was no doubt unusual. And, Auntie Ranganathan may

rush into our house at odd hours, exchange a few words, hush-hush, with my mother, and then sweep our family off to the safety of her residence. Or, Aunt Bagchi may rush into the house and exchange news with my mother. Yes, the atmospherics were abnormal, but our little world of aunts and uncles was otherwise unchanged.

In the early years of my life, I was completely untouched by the jagged interfaces that quite often exist between communities. I was fortunate to have an upbringing where it was difficult to understand what sectarianism was all about. I grew up in the utopian cocoon created by the research community in the Forest Research Institute in Dehra Dun. My father was a scientist there—a wood anatomist and palaeo-botanist. In the institute, the societal microcosm was insulated from the pressures of the larger society. The members of the community were drawn from all parts of the country. As I realized later, they belonged to several religious faiths. They were highly educated and blossomed in the cosmopolitan ambience of the community. Aggressive identification with one sect was beyond the understanding of the members of the community. We were like one family.

A decade later, the import of the social issues percolated through my psyche and that is when I can say that I really came of age. When community identities had fully seeped into politics, I began to understand the taunts aimed at the so-called ‘aristocracy of the cosmopolitan’. Integrated plural groups, without identity kinks, were taunted by the closed, conservative identity groups. Being a part of an integrated plural group was dubbed as colonial snobbishness. As is expected, sectarian differences are less marked in homogeneous and plural population groups. While the integrated cosmopolitan groups may not exist everywhere, wherever they do exist, they are God’s blessing. When the ‘aristocracy of the cosmopolitan’—whatever the degree of oversimplification of their societal view—enjoys a wholesome plural atmosphere, one should be happy for that blessing.

MY SHELTERED UPBRINGING

I write this at a time when communal tension and riots poison the social atmosphere across the country. This sad situation has built up over the last century or so. I must confess that at the start of my adult life I was entirely ignorant about what this social issue of ‘communalism’ was all about. If at that time I had been asked my views on ‘communalism’, without the slightest tinge of affectation I would possibly have countered: ‘Communalism? What is that?’ I had the good fortune to study in two elite institutions—the Doon School and St. Stephen’s College. I know of the reservations held by some about these two elite institutions, but even their worst detractors would not assert that they remotely encouraged a sectarian mindset.

The Doon School was, no doubt, elite when I studied there. One had to belong at least to the middle class to be able to afford such schooling. However, within that fortunate clutch of schoolboys who gained admission, there were no recognized groupings—no divisions of sub-economic status, colour, caste, creed, religion, or region. It did not matter one jot if you were Maharaja Hari Singh’s son, or even Indira Gandhi’s son! In fact, in our time, one of Indira Gandhi’s sons was asked to leave mid-term, as he could not adjust to the atmosphere in the school. For our teachers, egalitarianism was a natural state of humankind. In that period, the headmaster and one other senior master of the school were maverick Englishmen. The universe was their family—*Vasudaiv Kutumbakam*—and they had

personally chosen the Doon School to be the centre of their universe. We grew up absorbing that mindset as the only natural one. In retrospect, the ambient culture there was precious, but pristinely plural. While, in retrospect, I immensely value the absence of sectarian hang-ups in the school, I must admit that as a result, we were entirely innocent of the segmentation that existed in the larger society. Caste, creed, religion and regional compartments did not exist in our world, and, therefore, there was no question of us being divided on those lines.

St. Stephen's College, where I went after school, was a Christian institution. I have never come across a denominational institution that was less indifferent to religious orthodoxy than St. Stephen's. Entry into the college was highly competitive, but was based on merit—either academic or by way of extracurricular talent. In fact the college icons of our time were all from middle-class backgrounds belonging to various communities. It was a place where we encountered brilliant minds, fellowship, an opportunity to study subjects (not just textbooks), tolerance, camaraderie and the realization that infinite plurality could coexist with absolute amity. Here again, through association with the teachers and the seniors, all these attitudes were unconsciously absorbed and internalized. If anyone ever listed these attitudes as those we acquired in college, it would have been considered terribly down-market, and would have been the target of derision. It was taken for granted that the attitudes that were all-pervasive in the college would be equally applicable in a society of larger complexity. In the college, none of us were exposed to the sweat and dust of our complex society.

Also, during our college life there was just no prickliness in the interactions between college-mates from different communities. It was inconceivable that a prank or a joke could be considered a sectarian insult. With my antennae attuned to present-day sensitivities, I recall with horror one of the practical jokes played out in that period. In our college complex, in the midst of the residential blocks, was the college chapel. Some of our Christian friends used to join the prayers on some Sundays; however, those occasions were noticeably infrequent. The priest who presided over the chapel was Father Jarvis. He was a Classics scholar from Cambridge who had made St. Stephen's the centre of his life and universe. He was a colourful and unconventional personality, often seen pedalling around the university on his bicycle, his cassock folded up to his knees.

One night, a group of students set up a prank which today would only be called incendiary. They climbed onto the chapel roof, painted the cross in green and yellow stripes and strung up Father Jarvis' bicycle from the cross. The next morning the students woke up to see this extraordinary spectacle. It caused great merriment; it was treated as a juvenile prank, hugely enjoyed by everyone. No one got hot-under-the-collar. The cross was washed clean, the bicycle was brought down and Father Jarvis resumed riding it across the university, dressed in his cassock. There were no secret enquiries, no witch-hunting and no injured sentiments. Through the grapevine of the student community, the group responsible for the prank came to be identified; one member of the group was a friend of mine from the Christian community, who went on to become a responsible civil servant in later days. St. Stephen's was then an institution with incredibly easy attitudes. We value the free spirit of that atmosphere most when we compare it to the scene today. In the last decade, towns have burnt to ashes and smouldered for days on end for some perceived disrespect to a community's religious belief. In our plural college community, the respect for Christian values strengthened when we

witnessed such an easy attitude on the part of the college management. When I think of my old college, I recall an institution with immense conviction and strength in its values, without the slightest inclination to flaunt it in anyone's face.

As I tie up the final loose ends of this memoir, I cannot pretend I am not aware of the controversies bedevilling St. Stephen's in the recent past. Unbelievable though it is, of late, the college management and the teaching faculty have been embroiled in tussles relating to Christian community rights over the institution. When I sit on the Executive Council of Delhi University, I am pained to hear criticism about the functioning of the college. Not one member of the Council has something complimentary to say about this historical institution. What is particularly galling is that the criticism alleges a sectarian attitude on the part of the management, something which was entirely unknown to St. Stephen's. What I would urge for the consideration of the management of my *alma mater* is that the Christian community, as a whole, will gain much more by keeping St. Stephen's as the institution of yore, than by making it denominationally a Christian institution.

In our dotage, increasingly, we realize that in our lives we come across very few personalities and institutions that we can admire and commit our loyalty to, absolutely and unreservedly. I would be devastated if St. Stephens spurned the faith of my generation of students at this late stage, and deprived us of the strength of this institution that we have accepted absolutely and unreservedly.

INCLUSION THROUGH RESERVATION

Even at the risk of repetition, I will again say that I went through much of the first two decades of my service career absolutely innocent of the deep penetration of the sectarian world view in our society. Some would say that I must have been greatly handicapped as a result of such naiveté—it must have told on my performance in the civil service. At the surface level, one saw instances of unexplained partiality, but quickly put it aside, as things people-like-us do not indulge in. It was only in the early eighties that I began to discern a pattern in the functioning of society, and that is when I think I actually came of age. When the Mandal brouhaha erupted, for the first time I seriously thought of this issue. I come from the state of Uttar Pradesh, where over five crores of the population is from the Yadav community. At that time I realized, with a shock, that I knew only one person from that community who I could claim as a friend or an acquaintance. This friend was from my school and from the civil service—and for that reason could scarcely be considered a typical member of his community. It became increasingly clear to me that different sections of society lived in distinct orbits. It took me considerable time before I could identify the social coordinates of the different constituents of society. The country has, no doubt, changed much since the early eighties, and there has been substantial social churning and consequential empowerment of several of the invisible sections. For each one of us, from whichever background we come, the last three-and-a-half decades have meant a radical reorientation of our mental universe.

The issue of reservation for underprivileged sections of society has, for long, been a festering one in our country. The detractors say that reservation reinforces caste divides, and that it departs from the secular principle of meritocratic rewards. For much of my adult life, and from well before I started understanding caste and religious dynamics, I have been a supporter of affirmative action.

Without really understanding its impact on society, affirmative action seemed to me to be in support of the social underdog, and in furtherance of egalitarianism. I did not find it necessary to understand it in greater detail; it made me feel at ease, and that was sufficient for me.

My belief about the effectiveness of affirmative action as a national social policy is considerably different from the perceptions of many others in my social circle. Many of my service friends came in through the opportunity provided by reservation. The induction into the civil service and the experience of performing a public duty, has transformed their lives and the lives of their extended families. Even for members of their community who are unrelated, the presence of these few representatives from the reserved communities was a tremendous inspirational boost. For everyone who came from the same social background, the universe of possibilities enlarged. Almost all the children of my friends were well educated, as distinct from merely going through school and college. All are engaged in some gainful activity, and I, at least, do not know of anyone who was thwarted by caste prejudice. Some of them have entered the civil services; some have even made it to the unreserved list. The families and their extended members, who I became close friends with, all seem extremely well integrated with the rest of society and display a self-assured and well-adjusted presence. I, at least, find it impossible to believe that the one-time help through reservation has not made a radical difference to their position in society. We have to accept the reality that no section of society would yield its dominant position to someone needier without an element of statutory coercion. In the natural course of social change at a glacial pace, this would have taken a few centuries; by this fast-forward mode of affirmative action, it has come about in a few decades. I would assert that the shortest route to an integrated society is through affirmative action. It is certainly not a societal initiative without its negative aspects; but, with the prevailing social inequity having such appalling features, there certainly is a need for radical surgery. It is my perception that where the impact of reservation has been felt, the social transformation in the extended circle of the family has been magical.

PLACE IN THE SUN FOR THE MUSLIM

Though I was fortunate to be largely shielded from communalism, I cannot but say that it is very much there as an ugly face of our society. It impacts on all of us. It is not an imaginary construct created by some malcontent mind. Quite obviously it is not the outcome of the mindset of any one community—we are all responsible for it. I would be prevaricating if I did not mention upfront that many of my community—the Muslims—often feel that they are under a state of siege. However, several well-meaning liberals from other communities feel that the Muslims cut themselves out of the social mainstream by creating their own community ghettos, and thereby, generate antagonism and suspicion. The Muslim community in the country, particularly in northern India, has unfortunately become an underclass. For a complex web of reasons, economic opportunities are distinctly limited for them. While many things may be outside our control, it is quite evident, that a single-minded pursuit of modern education would to a considerable extent bring the community out of its morass. The pursuit of education is only minimally hit by social bias.

I am fortunate enough to be in a socio-economic section of society where I do not suffer the

whiplash of bias. However, a large section of the community does feel insecure because of prejudice. My community desperately needs to come out of its shell. Being one of the privileged few, I do not bear the brunt of communal bias, and it would be most insensitive if I talked down to the less fortunate members of my community. Yet, as I see it, the only recourse for the community as a whole is to push itself outwards, to seek their place in the sun. It is only when they step out of the community ghettos that social prejudice would be challenged. Bright sunlight in the fresh air is the most effective antiseptic against any pathogen.

It is also a commonly accepted position that, unrest in society means unease for all sections of it. I do not believe that 'secularism' as a way of life is only limited to a small section of the population of the country. Millions of citizens, practising their different faiths, only feel at ease in a 'secular' environment. Whenever there has been a major conflagration, when the minorities have been under threat, it has been the activists and groups of civil society from the majority community that have pitched themselves against the hate-mongers. One must recognize that in the ruthless competition in the material world, the self-seekers will use any means to further their greed—religion, caste, region or language. At the centre of numerous communal confrontations is often located the infected cyst of economic and political vested interest. Facing an electoral challenge, when a group apprehends that it is weak, it frequently turns to divisive issues to eke out a short-term advantage. But the mass of people, when not mesmerized by a passing perverse spell, value harmony in their society.

During my career in the state of Gujarat I witnessed two major communal riots in 1969 and 1984; and of course in the year 2002, when I was in the central government, the state faced what could be called one of the worst communal conflagrations in the country since Partition. Coming from the type of family background I have described earlier, communal animosity was something I had never been exposed to in my early life. The first full-blooded communal conflagration I encountered was the 1969 riots in Ahmedabad, which spread to other parts of Gujarat. I was the Under-Secretary in the Home Department and also what they called, the Resident Under-Secretary to the government. The Resident Under-Secretary was the creature who received urgent wireless messages and telegrams outside office hours. He was required to go through them and decide which of them needed immediate attention, and which could be carried over to the next day. The ones needing immediate attention, mainly those relating to law and order and emergency relief, were conveyed on the phone to the appropriate official for immediate action. For the inconvenience of often being woken up in the middle of the night, the Resident Under-Secretary was provided rent-free accommodation in the secretariat building. At night, the privacy of that apartment was unparalleled. The accommodation consisted of several rooms constructed above the topmost floor of the secretariat, surrounded by a few hundred square yards of terrace. The solitude there would have rivalled that of Alcatraz! The extraordinary size of the apartment served as a guest house for any friend or acquaintance looking for a simple bed and board in Ahmedabad. It was in these surroundings that I first came to be exposed to a communal situation.

The riots began in the inner city areas of Ahmedabad and gradually spread to the suburban residential areas. The proximate cause was an attack by some hooligans on the annual Lord Jagannath Rath Yatra. Hitendrabhai Desai was the Chief Minister then. My Deputy Secretary in the Home

Department was H.K. Khan, who subsequently became the Chief Secretary in Chimanbhai Patel's regime. A control room was opened at the Circuit House Annexe in Shahi Bagh. Officers in the Home Department were immediately put on control room duty. At that time I was too callow to understand the underlying cause of the violence, but a retrospective view made it plain that there was long-festered communal animosity fuelling the riots. Clearly, certain entrenched communal groups brought the crisis to a head with deliberate planning. However, there was no evidence of active State involvement in the breakdown of social order. The Chief Minister was gravely distressed by the happenings—for a considerable time there was no order in the city of Ahmedabad, but no one ever felt that this was because of a secret collusion between the Chief Minister and the communal elements. In fact, over the week that the violence continued, we saw the Chief Minister visibly wither under the burden of his responsibility. There was no doubt that he considered it the failure of the administration, and without admitting responsibility explicitly, he wilted under the burden.

THE THREE MUSKETEERS

One incident of riot control from that period comes to mind. That was still an age when the police led from the front, even if clumsily at times. The Ahmedabad police administration was built around three personalities—Pavri, Inspector General of Police; Sethna, the Commissioner of Police; and Deboo, Deputy Commissioner of Police. It was this great Parsi comedy team that we saw in action in the course of the riots. None of them were particularly distinguished for their policing skills. Each was a bundle of eccentricities, and stories about them were legion. In one encounter with a rioting mob, all three were involved. Yes, in those days even an IGP (the equivalent of the current DGP) could be involved, on a rare occasion, in a face-off with rioters.

Observers reported that the three musketeers were actively involved in the face-off—though their distance from the crowd increased proportionately with their rank. A small row of lathi-wielding constables were trying to hold back the crowd—the sad specimens were a poor match for the numbers and the aggression of the mob. At the outer circle stood Deboo, urging his men on, and from time to time referring to the law and announcing that the assembly of protesters was an 'unlawful assembly', as prohibitory orders had been issued against people gathering in groups. The crowd was not in open defiance of the law. Those were early days when the awe of law had waned, though the defiance of khaki authority was tentative. As Deboo shouted that the crowd was in breach of the law, they paused for a moment, sometimes stepped back a step or two, before surging forward again. This back-and-forth tussle, continued, but with the passage of time it was clear that the khaki authority was wilting. Gradually, Deboo was being pushed back step-by-step while still raising his hand threateningly and shouting that the crowd was in breach of the law. Pavri and Sethna watched from a distance, as befitted their rank. But, soon it was apparent that the line-up of constables would be scattered if they were not assisted.

Pavri and Sethna conferred and then shouted: 'Ask him to fire, ask him to fire!' There was no magistrate present, but firing was justified in self-defence. Sethna stepped closer to Deboo and shouted: 'Deboo, fire. Fire!' Deboo was uncertain; he pulled out his revolver and shouted at the crowd: 'Move back or I will fire. Move back.' The crowd stopped for an instant and then again

surged forward. Pavri and Sethna were beside themselves: ‘Fire, fire!’ The crowd was getting dangerously close. Deboo looked as though a gun was being held to his temple, but finally with wrenching reluctance, he raised his revolver to firing position and screamed ‘*Vekheri jao, Vekheri jao!*’ (Disperse, disperse!) and fired three rounds. In poor physical condition and out of practice for years, Deboo’s hand jerked violently with each shot, as each bullet passed metres above the head of the crowd. The khaki authority had shown its colour, and though the crowd was prepared to show some resistance, defiance of firing was beyond its stomach. With a roar the crowd started scattering. The previously frozen constables sprang to life and with their lathis flailed at the receding mob. In a short time the area was clear, leaving fifty-odd constables with their three Parsi officers, panting for life, faces streaked with dust and sweat, and flushed red like grilled lobsters. Well, the three musketeers had held their own in whatever comic fashion! The next morning a Gujarati paper carried the headlines: ‘*Amdavdad na tran bahadoor afsar, ghataki tolun ne vekheri nakhuun.*’ (Three courageous officers of Ahmedabad disperse a bloodthirsty mob). Those were the days when officers still considered it their duty to enforce societal order, even if their efforts were inept and comic.

THE CM’S CHOTA-HAZRI

The period of the riot was my first exposure to the no-nonsense approach of the military administration. The military had been called in to assist the civil administration to restore order in the city. One day in the course of the riots, we got a hysterical call from the Chief Minister’s residence saying that their personal *maharaj*, (cook), had got picked up by a military patrol, and was being subjected to third degree at the hands of the military jawans. The CM’s family was desperate to see him released. We got in touch with the military command centre and they said they would see what could be done. An hour later, we got a phone call from the military command centre saying that the maharaj had been located. He had been wandering around outside the CM’s bungalow early in the morning, and when challenged by the military patrol, he had tossed around the CM’s name. Thereupon he had been taken into custody. We apologized for the behaviour of the maharaj and requested the officer at the control room to take a lenient view and release him. An hour later the maharaj was escorted back by some jawans to our control room and handed over to us. The maharaj, a tiny, shrivelled old man, in a *veshti* and dhoti, was shivering in fright and was totally incoherent. When he had recovered his wits, he narrated what had transpired.

No milk had been delivered to the CM’s residence that morning. It was an unchanging routine of the CM to begin his day with an early morning cup of tea. The maharaj was hard put to find some milk to serve the CM his chota-hazri. Hoping to find out what had happened to the regular milk supplier, he stepped out of the compound of the CM’s bungalow. When challenged by the military patrol, he explained in a matter-of-fact manner, that he had stepped out to get some milk. The military jawans were not in the least amused: ‘The city is under curfew and you are loitering around looking for milk. People are not getting anything to eat for days and your CM is looking for his tea.’ Out of loyalty to the Chief Minister, the maharaj expressed his disapproval of the language used for the CM: ‘The needs of the CM have to be met—the maharaj of the CM could not be rioting in the city.’ The jawans were not trained to recognize such distinctions in status. With a volley of full-blooded abuses, they

set upon the hapless maharaj with their rifle-butts, before finally dumping him in a shivering heap in the rear of their jeep. As he stood before us, even after a considerable passage of time, the maharaj was thoroughly traumatized. He wept and whimpered incoherently as he was led by the hand to his master's residence. Though the CM's family must have been relieved to see their maharaj still in one piece, they could not have availed of his cooking skills for several days after his return. The no-nonsense approach of the military jawans to the enforcement of law and order was an eye-opener for me.

Grassroots Political Workers

Over a lifelong career, civil servants encounter Ministers and social activists with a variety of personalities. Generally, those who make it to the level of the Minister out of the MLAs and MPs, are the better educated ones. Even amongst the backward communities, the Ministers are ones with better than average exposure and overall confidence. With increasing empowerment of the rural populace and of the previously neglected sections, first-generation politicians amongst Ministers are quite common. Many of them, while knowing only a smattering of English, were proficient in Gujarati. In fact many of the younger Ministers in Gujarat, coming out of university politics, were skilled orators. Some of the members of the political executive, as also some of the social activists, were certainly extraordinary personalities. To present a flavour of the persona of the Ministers and activists of that time, I will present snapshots of two Ministers and one panchayat pramukh in Gujarat whom I encountered in my career.

MADHAV KAKA

Madhavlal Shah was a veteran of the Dandi March; he had participated in the historic event as a young man. As a Minister, his entire attention was focused on the impact of the administration on individuals. His grouse was invariably that this villager had not got his entitlement of ration or that villager was ailing and unattended. Policy issues he left to civil servants, while he dealt with delivery of outcomes. He had one tin trunk containing all his worldly possessions. His wardrobe consisted of three or four sets of khadi kurta-dhotis; his outfit, though always spotless, never changed in style. When I first met him, age was telling on his activities. He had no personal savings, and that was God's truth, not some myth circulated by PR managers for the purpose of image-building. While he would meet anyone in the course of duty, his close friends were all Gandhians dressed in identical khadi kurta-dhotis. By that time, younger politicians were pushing themselves forward and were much more savvy. It was increasingly becoming apparent to his close circle that sooner rather than later, Madhav Kaka would be dumped from the Council of Ministers and then what would he do? Taking the opportunity of his seventieth birthday, his groupies collected a purse of one lakh rupees for him in cash, and also bought him a second-hand jeep. That constituted the retirement benefits for Madhav Kaka after about a half-century in public service in the truest sense of the expression. I lost contact with him after leaving the district, but I have no doubt in my mind that to his dying hour he must have been nagging some District Development Officer or Collector about the denial of ration to some villager or forced eviction of some Harijan from his handkerchief-sized plot of land.

THE JUGGLER OF CONCEPTS

For some time, I worked in the Kaira District Panchayat as the District Development Officer. The

district pramukh was one Govardhanbhai S. Patel. He was a middle-class farmer who had studied only up to high school; but he was a man of vision. In most panchayat meetings, the level of discussion is always case-centric. Few members had the mental space to think of larger themes. Whenever he spoke, Govardhanbhai managed to lift the issues to the conceptual level. He was always looking for improvement of systems and practices. In fact, he had a lifelong engagement with concepts. I recall one memorable incident involving him.

Govardhanbhai had gone with a delegation to China to study their agricultural and rural development practices. This was in the mid-sixties. The other delegates were most active in Hong Kong, seeing the sights and buying electronic goods that were still not easily available in India. Govardhanbhai came back thrilled about his experiences in rural China. He said that he would like to give a lecture on his experiences to the zilla and taluka panchayat members. I had not known him for long and thought to myself that he would be asking for trouble. How much patience does a zilla panchayat member or a taluka panchayat member have? Most of them are so full of themselves, that they have no time to listen to anyone else. But Govardhanbhai had decided and invited all the members to his talk.

Without exaggeration, it was one of the most illuminating talks I have ever heard. Given his limited education, one had wondered what he would talk about. But Govardhanbhai had observed so much. He was not burdened with any ideological baggage. He had avidly soaked in many of the practices, and had counterpoised them against well-established management principles. He felt that some practices that he had seen did not fit our Indian conditions and he gave cogent reasons for saying so. His was a virtuoso performance. He observed the practices in one setting and related them to the broader principles of rural management as applicable in India. He spoke without a break for one-and-a-half hours, and the hardened taluka and zilla panchayat members heard him spellbound. This farmer, with no formal training, had a natural aptitude for conceptualization and parallel thinking. This, to me, seems to be the essential skill-set required amongst community leaders for making local self-government a success. Community leadership would really come of age when the leaders acquire a modicum of capacity to conceptualize their programmes, and acquire the insight to bring about an internal consistency in the implementation of the programmes.

MODERN MIND: DESI GARB

The third persona I have to offer as an iconic political executive was my Minister—Raghubans Prasad Singh—when I was Union Secretary in the Ministry of Food. He was a pure, swadeshi product of rural politics, but one with amazing confidence and élan. He was highly educated. He was able to understand English but always spoke in Hindi. He had one of the sharpest minds I have ever come across. After the passage of a few months I came to know that he was a doctorate in mathematical relativity! I must confess that in the early stages, with his Bihari accent, I took him to be less than what he was. I was brought up in UP and had a working knowledge of Hindi, but, when Raghubans Babu spoke, I had some difficulty understanding him. In such situations my tactic was to look towards his Private Secretary, himself from Bihar. And as the Minister continued to speak, the PS would periodically spit out the bullet points. In a couple of months I had learnt not just to

understand his language, but to enjoy it. Watching him, one learnt how different the subject of business administration, as taught in the IIMs, was from that of public administration relevant to the untidy patchwork scenario in our rural areas. At a later date he became the driving force of the successful NREGS that was launched by the UPA I regime. He belongs to the Rashtriya Janata Dal Party, one which is dominated by the Yadav community, but he himself is a Kshatriya. Perhaps because of that, he has not risen to quite the level he would deserve according to his ability. He is an excellent speaker in a parliamentary forum—incisive in his argument and unstoppable once in full flow. As an MLA, he had contributed richly to the frequent scenes of bedlam in the House! As a clever ploy to subdue his irrepressible spirits, his party nominated him the Speaker of the Bihar Assembly for one term! Seeing his exuberant performance was a mood-lift for all. I believe that India would really have come of age on the international stage when, in disregard of all conventional features of official protocol, a Raghubans Babu, as our Foreign Minister, in his inimitable Hindi twang, would weave circles around, say, the US Foreign Secretary, as the two discuss the emerging new world order!

A Civil Servant's Icons

Traditionally, civil servants perform a low-profile role—they are faceless and are not expected to project themselves in the public arena. Governance is an activity which invisibly ensures the normal regulation of public life and eschews all grandstanding. Yet, as in all professions with a tradition, the civil services have their own heroes, those that the civil servants revere, judged against their own benchmarks. Each of us in the civil services comes to acquire his own icons measured against the values that inspire his professional group. As I reflect on the span of my career over the years, I can claim to have come to possess three role models who have influenced me and have been the compass for my professional life.

LOVY

The first icon for me in this small group of three, acquired in my thirty-seven years as a public servant, was Lovraj Kumar. Lovy, as he was called by one and all, was an unlikely civil servant, and was in a class of his own. He came from one of the aristocratic families of UP, but he never played up his lineage. He was a Dosco (Doon School alumni), fifteen years senior to me. He was the first Indian Rhodes Scholar, who went on to Oxford to do his graduation in chemistry. Back from there he joined Burmah Shell and served there for a long period. In the sixties, India was making every effort to establish its economic security—in the areas of banking, insurance, national airlines, petroleum exploration, petroleum refining, petrochemicals, fertilizers, power, steel, aluminum, base metals, coal, communications, armaments, atomic energy, etc. Lovy was one of the earliest lateral entrants who came into the government from the private sector to develop our economic security in key areas. He was designated Advisor (Petrochemicals). His contribution to the petroleum and petrochemical sectors is seminal, though regrettably this is insufficiently recognized in the country. Our national efforts in achieving self-sufficiency in the core sectors of the economy have been described elsewhere in this memoir. Lovy was a star player in that league but here I will limit myself to describing Lovy the man, our leader.

I was an officer of four years' standing when I came under his spell. I was the Under Secretary dealing with the organic chemical industry. Considering that today almost 80 per cent of the products in use in daily life are synthetic organic chemicals, one can imagine the breadth of the portfolio. I shared a small office room with a batch-mate of mine who dealt with the entire inorganic chemical industry. My friend was a chain-smoker. At times the dense fumes in the enclosed space recreated a Delhi version of the London smog. We discharged our duties in that small cabin, while attending to the frequent phone calls and dictating notes to our PAs over each other's voices. The physical constraints just did not seem to matter. That little room in Shastri Bhawan was the operational base from which the foot-soldiers ran their campaign in support of the public sector in the domain of the

chemical industry. And for these foot-soldiers, Lovy was the Commander-in-Chief.

At that stage of my career, I had very little idea of any industry, what to speak of the organic chemical industry. This was the time when India was aggressively launching out in the public sector in the areas of oil, gas, refined products, synthetic fibres, plastics, etc. The public sector units were only just being launched. The sum total of the knowledge relating to the sector in the Ministry and the public sector units combined was minuscule. In the private sector the knowledge was entirely non-existent. Every second day several thick volumes of the project report for a new manufacturing facility landed on my desk. We were hard put to understand where we should start our examination of the proposal and on what issues. In those early days, Lovy was there to hold our hand and take us forward. If he had confronted me, I would have flopped on the floor and frankly admitted that I had no particular knowledge of how to examine such issues. Yet, we were always encouraged to grapple with all types of issues. Lovy never allowed the situation to push us over the edge of despair. Instead, he acted as though each one of us was fully competent and insisted that we be involved in all aspects of all issues.

I recall the endless hours I spent in trying to draft Cabinet Notes on these various investment proposals; Lovy insisted that each one of them must be initiated by the Under Secretary. The Under-Secretary tried to do this without any trained appreciation of what was significant and what was inessential. That being the situation, it is not hard to imagine the quality of the Cabinet Notes that were prepared by yours truly. But each one of them was scrutinized by Lovy with the utmost gravity. Each line was weighed on a jeweller's scale; scores of corrections were made in both substance and syntax. There were many occasions when I thought that not a single sentence of my note had been left unchanged—each page would be cramped with his illegible scrawl. I could not decipher most of his handwritten notes; the official interpreter of Lovy's handwritten notes was his faithful PA of decades, Magon. Any handwritten note from Lovy was put into typescript by Magon and sent on to us for further processing. Lovy's radical surgery of my Cabinet Notes would have normally left my ego bruised, but for the fact that he was equally unsparing with himself. Once, I took a draft Cabinet Note to him. He changed it almost completely. Magon deciphered the handwriting and typed it out, after which Lovy went through it closely and again changed almost every word of it! At that point, I could not contain myself and said: 'But Sir, this is your note.' Lovy only smiled and said that it needed to be changed. Through his supportive attitude and never-say-die style of working, he set the country on the road to security in the oil and petrochemicals sector.

In personal matters Lovy was a large-hearted king—so many of us blossomed in his hospitality and spontaneous generosity. On more than one occasion, I, as an Under Secretary—and everyone knows how little that means in the government pecking order—had found myself sitting next to some celebrity from abroad at one of his parties. There have been occasions when I did not fully get my bearings about the background of the person I had been introduced to, and spent the evening telling the Professor of Chemical Engineering, Imperial College, London, how great our petro-chemical sector is! Many a time, when I had thought of seeking Lovy's intercession in a unofficial matter, but had later desisted thinking that it would be too much of an imposition, Lovy would sense it by some telepathic understanding and put forward the suggestion, making it sound like an absolutely ordinary issue. All

in all, he was an extraordinary human being contained in a deceptively ordinary form.

Lovy lived his life king-size. Too early, alas, and quite suddenly, he left us. I recall his memorial meeting. On a freezing cold evening, in the open park of the Anand Lok colony, bhajans wafted over a large crowd of his huddled admirers, each lost in his recollections. And just then, in recognition of the poignancy of the moment, the sky opened up and gently wept.

GANAPATI SAHIB

The second role-model I won in my career was Ram Ganapati. A self-made man, he made his homespun persona the fashion of the age. He came from a humble background—his father was a primary school teacher. He struggled his way through and was selected for the Indian Audit and Accounts Service. Knowing the scale of his talent, I often wondered how he missed the IAS, which no doubt would have been his first choice. It is more than likely, that in the fierce competition existing at that level, his limited exposure to the world at that stage, made the crucial difference of a mark or two. However, he never let that cramp his style. He was confident of his ability and unselfconscious about his background. His integrity, both financial and intellectual, was inviolable and carried with casual nonchalance. These attributes were no big deal for him.

Normally, in the Audit and Accounts Service, the work experience of the officers is limited to their specialization. The variety of Ganapati's career would have made anyone of any service envious. He relished new experience and had the innate ability to learn and be creative wherever he went. I first encountered him when he was the Director, Finance, of the Indian Petrochemicals Corporation. He was the 'centre forward' of Lovy's soccer team. Groping around in an unknown area, he learnt and at the same time taught others, the intricacies of the sector. In the dozens of negotiating situations I saw him in, I never found him overawed, no matter how powerful the personality he was negotiating against, and no matter how little of the terrain he knew in advance. He had a tremendous capacity to think and improvise as he moved along. His negotiating opponents realized very early that though he may lack in technical expertise, his capacity to adapt and change tactics as he moved along, was stunning. The Petrochemicals Complex at Baroda, with its variety of end products, is enduring evidence of his contribution to the sector. These days when almost all new public sector enterprises generate public scams, either as a result of management lapses or financial malfeasance, the petrochemical complex at Baroda was a rare exception. The production units in the complex have all worked well technically, and the products have all been of the guaranteed specifications. No component of the contract has failed to meet the country's requirements.

Ganapati's contribution to the industrial sector was not limited to petrochemicals. At a later point of his career, he also had a major role to play in the development of the indigenous non-ferrous metal sector. That was the second opportunity I had to work with him. Ganapati piloted the giant integrated Alumina-Aluminum Project set up by the National Aluminum Corporation in Orissa. It was a gigantic greenfield project consisting of the largest bauxite mine in the country, the largest alumina plant and smelter at two different locations, and the downstream rolling mills. It was an entirely different part of the industrial universe from the petrochemical sector. Ganapati adapted to the new sector with unbelievable panache. In fact, his career is a textbook example of the macro-level management skills

that are so useful from the ‘generalist’ civil services. Ganapati managed to absorb from the subject specialists the key issues for making important decisions for project formulation and implementation, and coordinated them brilliantly. The aluminum sector was one in which the giant of the private sector had a dominant stake—Hindalco of the Birla group. Later, the public sector plant—Bharat Aluminium Co. at Korba—was also disinvested in favour of Sterlite Industries, a member of the Vedanta Resources Group. Despite all this competition, the public sector National Aluminium Corporation complex in Orissa remains a major player in the non-ferrous sector today. In fact, Ganapati’s career demonstrates that public sector interventions in the correct areas have proved very rewarding for the country. Indeed, in the metallurgical, oil production, oil refining and petrochemicals sectors, the commanding position in the economy held by the public sector units, contributes much to the stability of the economy.

Despite his extraordinary achievements, Ganapati always remained a homespun personality. Being the only well-placed individual in his family, Ganapati, in fact, supported an extended joint family. In his private moments his concerns were that of the ordinary lower-middle-class government employee. On more than one occasion, while sitting with him informally, he had joked that he was looking forward to the beginning of the new month so that he could get his salary. One incident that my wife recalled with much amusement, was typical of Ganapati’s earthiness.

Our technology suppliers for the Orissa Alumina-Aluminium project had come to Delhi for negotiations. The project was a giant one, and looking to its importance, the collaborators had sent their global second-in-command. Ganapati invited the visiting team and the Indian counterparts for dinner to the House of Ming. Ganapati was a bachelor. The ladies being few, my wife, Shama, was seated at the first table along with Ganapati and our chief guest; I, as a junior official, was at one of the peripheral tables! Later, Shama narrated to me what had transpired at the head table.

Ganapati animatedly discussed an array of topics with the chief guest. He was, as always, totally unselfconscious. He cracked jokes, made fun of the ‘Tambrahm’ community of which he was a member, and generally carried on in that manner. The chief guest was an extremely polite person, though taciturn by nature; his English was also somewhat halting. For every half a dozen wisecracks from Ganapati, he laboriously brought forth one measured remark, and despite the general bonhomie the conversation was flagging.

In the middle of this, suddenly Ganapati fished out a sheaf of papers from his pocket and started scanning them. Shama, who was seated next to him, was a trifle startled. Ganapati leaned towards her and conspiratorially whispered: ‘I am building my house in Gurgaon; it is half done.’ Spotting a look of interest on Shama’s face, he really took off and narrated an entire description of his house over the next ten minutes—what the total size of the house was; what the area of each floor was; what sort of finish he was providing in the hall as compared to the bedrooms; what the quality of the granite was and so on. By this stage he was in full flow and was giving the details in a loud voice clearly audible to the chief guest. Undeterred, Ganapati continued, ‘The price of bricks has been rising rapidly even in the period of twelve months of construction.’ He rifled through a sheaf of receipts and pointed to one: ‘Look, this date and this price, and now this price.’ Ganapati was a transparent person, and when he opened up, he opened up fully: ‘But I am getting a good rate for the cement; there is a slump

in the market. I have bought up the entire requirement and kept it in a godown. I got a good price.’ Shama was never very strong on such subjects but still politely followed his finger as it darted from one receipt to another, pointing out this low price and that higher price. She was also conscious that the rest of the table had gone silent. The chief guest shook his head at regular intervals to indicate that he was following the complicated narrative. Finally, even Ganapati noticed that the entire table had been frozen into silence. Not to be deterred, he gaily told the chief guest that issues relating to the construction of his house were very much on his mind. ‘Next time when you visit us I will invite you to my new house.’

Working with Ganapati one learnt that it was not necessary to be uptight about conventional social correctness. One noticed that whatever Ganapati did in good spirit became socially acceptable behaviour. I am absolutely certain that our chief guest that night went home completely bowled over by Ganapati. He must have also felt that if Ganapati was a representative civil servant, India was ably served by its civil servants.

DEBUDA

The third person I would appropriate as a mentor in service is Debabrata Bandyopadhyay, known as Debuda to all those who entered his charmed circle. Debuda belonged to an age when Marxism was the passion of the time. He was a brilliant student of political science from Presidency College, Calcutta. Influenced by the ruling passion of that age, he was a Marxist by personal conviction, though as a civil servant, the policy of the political masters he executed was, at the most, a pale version of welfare socialism. However, the role he played in restructuring the Indian economy is now an unforgettable part of legend.

West Bengal is the one state that statutorily secured the legal rights of the *bargardars* (sharecroppers) in the tenural relationship with the landlords, and effectively implemented the change. B.C. Roy was the Chief Minister and of course, the decision was a well considered one by the government as a whole. However, the implementation, which was the key to the programme, was carried out by Harikrishna Konar, the Minister-in-charge of the Department of Land Reforms and Debabrata Bandyopadhyay, as the Commissioner of Land Reforms. The implementation of the land reforms and the modification of the record of rights were extremely conscientiously carried out. The scheme has gone down in history as Operation Barga. Such a diligent discharge of duties is rare in the administration, particularly when it relates to the re-ordering of the economic structure of society. All of us from the middle class have kith and kin scattered across various economic levels, and in empathy for them, we are often distracted from our radical reformist convictions. It is widely acknowledged that the success of this land reforms operation was largely the result of the dedication and unwavering commitment of the twosome—Konar and Bandyopadhyay.

I came under Debuda’s spell when he was Additional Secretary in the Ministry of Mines and Metals. The Secretary of this Ministry was a management disaster. He had very little of management skills, was abrasive in the extreme, was unreliable in interpersonal relations and possessed absolutely no domain knowledge. The Ministry would have drifted to collapse without the cushion of Debuda as Additional Secretary. We all knew from the beginning that Debuda’s forte was the rural

development sector—the mines and minerals area was new to him. What we absorbed from him was not so much the domain knowledge, but work ethics and his humanistic world view. His approach in all matters, public or private, was egalitarian and inclusive. In the post-Independence period, at the level of the political executive, the attention to rural development had been limited to mere lip service. If at all there has been any sincerity in the promotion of schemes in this sector, it has been because of dedicated civil servants like S.R. Sankaran and Debuda. An incident from Rajiv Gandhi's regime as Prime Minister highlights the shallowness and ignorance of some of the political executive in this area of governance.

Rajiv was an easy victim of flashy management gimmicks. He launched the fashion of Secretaries making PowerPoint presentations on the working of their ministries. This was supposed to assist the Prime Minister in understanding the issues in different areas of development, so that he could frame appropriate policies. Debuda, as Secretary, Ministry of Rural Development, was asked to make one such presentation. He is widely considered an expert in this sector—however, he is a 'no frills' personality. His presentation must have been solid, and his observations would have been educative. But, Rajiv found it down-market and, to the astonishment of those present, rounded upon the Secretary. Debuda, a mild and gentle personality, was not equipped to counter-attack. Rajiv rebuked the Secretary in the open meeting and abruptly ended it. Debuda, a humble and self-effacing personality, was never short of self-respect. After the stormy meeting he informed the Cabinet Secretary, that since the Prime Minister had indicated his lack of confidence in him, he should immediately be transferred out. News of the incident spread like wildfire. Debuda was widely respected in the civil service for his qualities of head and heart. People who were familiar with the civil services immediately recognized that in this skirmish, Rajiv would lose heavily on points. The so he was advised to make peace as Debuda knew what he was talking about in the rural development sector. Finally, Rajiv made amends through intermediaries and Debuda was persuaded not to push the issue further.

Afterword

At the end of this cathartic exercise, after rigorously dredging through my life-long professional experiences, what are my concluding thoughts? Many landmark events have occurred; many of these would even be called historic events. And I have been a witness to those changing times. Over the years I have seen the creeping processes leading to these events through my prism. My contribution to such events was small, but I have had a unique opportunity to be a witness to this riveting social drama.

Human society has an inherent weakness of developing, over time, certain internal contradictions that contain the seeds of future friction. Our structured caste system of ancient times may have been a benign way of distributing temporal responsibilities between different sections in a society three millennia ago. However, it carried within it the seeds of future friction. The form it took in the last century was distinctly at odds with the world view of interpersonal relations in contemporary society. The conflicting features, which were held together in some form of unstable equilibrium, came to a head and began reshaping themselves. As a result, the status quo that had prevailed over thousands of years changed its basic features in a mere quarter century. The upshot is that we are now living in a considerably transformed society. Not that the social churning is over; on the contrary, today it is in its most turbulent phase. However, to me it seems that the concept of egalitarian social empowerment has acquired a critical momentum. The social scene will inevitably continue to rebalance itself before it enters a phase of relative stability.

And how strong does our administrative edifice stand today? Is it well-equipped and competent to discharge its role of public service in the prevailing circumstances? To me it appears that it is reasonably well-equipped, though it seems to be straying from its principal goal in the last couple of decades. The civil servant of today better comprehends and values the principles of management of the corporate and commercial sectors of the economy; he has less value and insight for the rural economy and the development of the social sectors. The new public administrators have skills that are more closely aligned with the science of business administration. Rigorous and objective public policy formulation seems to have passed out of fashion, often resulting in unchecked anarchy in the realm of governance. Business models, even in the social sectors, are believed to be a solution for everything. The most challenging role of the civil services is to analyse future policy through the prism of public interest. Fashion in the management sector may change from time to time, but it would be the unchanging role of the civil services to ensure that the policy adopted maximizes broad public interest.

With fast-changing technology, issues of momentous import are being thrown up with bewildering frequency. With the policymaking function having gone out of currency in government, decisions are increasingly wrapped in opaque packages designed by blinkered specialists. With a shocking frequency we are discovering that the system is taking scores of far-reaching decisions, which in the course of time turn out to be virtual disasters. Also, the deliberate mystification of the issues is, in

several instances, resulting in humongous public loss, sacrificed at the altar of private greed. The 2G Scam, S-Band Scam, CWG fiasco, illegal mining and mineral exports from the Republic of Bellary, are only some of the more recent examples. The business models of administration lend themselves to easy abuse for generating these scams.

Yet, despite the growing despair, if we explore the diametrically opposite perspective, we find, to our relief, that national misdeeds seldom get buried for good. It is true that almost no scam uncovered in the past has been investigated to a logical conclusion, with the delivery of appropriate punishment. However, equally, almost no major scam has finally died out—after lying dormant deep underground for years, from time to time they seem to get stirred up again. Take the unending Bofors investigation, with which any reader would be familiar. While it is a matter of great disappointment that no participant in that crime has been brought to book in a reasonable span of time, still, one tireless citizen or the other has ensured that the case has not finally died out. Even today, some indefatigable lawyer is standing in the trial court, where the CBI has filed a closure application, and is passionately arguing that the CBI is failing in discharging its duty to diligently investigate, and must, therefore, not be allowed to close the case. And, after nearly two decades of neglect and collusive inaction on the part of many public authorities, the CBI judge hearing the closure application is constrained to observe that the CBI's pursuit of the investigation has been mala fide. The actors in these surprise incidents are not high-profile public crusaders—they are ordinary people. The stumbling democratic system in our country may not have delivered many of the outcomes that were considered every citizen's entitlement, but it has at least given us citizens a taste of our democratic rights. Crores of citizens of very ordinary means are diligently vigilant, relentlessly observing the happenings in society; and one or the other of these citizens, using whatever little access to power he has, is challenging the misdeed that he happens to observe. With the evolution of our democracy, we have now acquired some legal instruments like the RTI and the PIL to reinforce our efforts. While currently there may be much abuse of public office, in the emerging scenario, it is increasingly becoming clear that the misdeeds cannot be hidden away permanently. In unexpected ways, institutions and individuals, time and again surprise us by challenging public misdeeds and asserting their constitutional rights. The public servants of today and the future should consider it their privilege to buttress these spirited forces originating from civil society.

In this backdrop, I may add here that one central objective of this memoir is to demystify contemporary issues, and to present them in the language and idiom which each one of us can comprehend, and can conceive what they mean to our lives. Each one of us in society has the capacity to understand in his own language the merits of the decisions taken by government on behalf of the community. And the State, through the processes and the dynamics of democracy, has the responsibility of justifying its actions before its citizens.

At this stage of my life, I often wonder what sort of youngsters will emerge as the civil servants in the decades to come. Who will have the privilege of observing the drama of social change as our socio-economy rushes forward in its evolving history? The community of civil servants is increasingly acquiring mixed social elements as it moves ahead. With the passage of time and the spread of social empowerment, the catchment area for the civil services became much wider, and its

social profile has become more heterogeneous. For literally lakhs of youngsters, their dream of social empowerment rests on the hope of a place in the civil services.

As I sit at my table winding up my narrative, I am tempted to recall an event of the last few days. The recently declared results of the Combined Civil Services Examination threw up an unexpected topper. The candidate who made the top slot was a young medical graduate from the state of Jammu and Kashmir, belonging to the Muslim community. The circumstances around this chance event provided stark evidence of the possibilities of human determination, and the strength of the constitutional institutions that exist in our country. This lad belonged to a family from a very ordinary socio-economic background. His father, a school teacher, was killed by extremists when the boy was still in his teens. His mother, also a school teacher, brought up the family of three children, and nurtured this promising son through his education. Most youngsters of his age group would have been more than satisfied to pursue the medical profession, one which is highly valued in our society today. But our lad had set his mind on becoming a civil servant. He had the potential, he knew what effort it takes to make the grade, and deep in his psyche he was brimming with optimism. For the rest, the UPSC was there—old-fashioned, even-handed and blind to all considerations but the performance of the candidate under the scheme of the examination. For lakhs of youngsters like this Kashmiri boy, their engagement with the dreams of our country during their early years is through the pursuit of a place in the civil services. Despite the impact of neo-liberalism, for India in its present social structure, the civil services still offer a full forty-year career in the thick of the development drama. Like our Kashmiri lad, countless youngsters wait with bated breath to participate in the unfolding adventure. At a point in my life when I have ended my career, I cannot but confess a tinge of envy when I think of the adventure in the social vortex that awaits this heterogeneous group of youngsters, as they stand at the brink of their careers in the civil services.

This memoir covers only my professional life. Very deliberately, I have kept out of it my family and close friends who populated my private universe. However, in the course of family life, it was inevitable that after an intense day in office, on many occasions, some part of the day's events spilt onto the dinner table. My wife, Shama, did have a healthy interest in public affairs, but had no notable knowledge of how the big bad world operated. On my part, I never missed an opportunity to hold forth on national affairs before Shama and my two wide-eyed kids! No topic was taboo. As a result, Rishad and Shaheen have never been burdened with the misconception that national problems cannot be settled over the dinner table!

This memoir had been planned as an account of contemporary social history, if one may use such an expression. The changing times have been observed through the prism of a public servant. The public servant himself has been kept out of the picture frame to the extent possible in the course of the narration of this tale. However, before I bring these memoirs to a close, for one brief moment, I will have the public servant speak upfront: How do I see myself today after several decades as a public servant? Where do I stand today?

For an ordinary person, I have had a remarkably interesting life. In my professional career, and thereafter in my retirement I have seen the social drama on the revolving stage for close to five decades now. I formed my world view as a college student in the age of welfare socialism; I have

found no reason to slough off that skin—I still remain an unreformed welfare socialist! The world has changed radically, largely through an exponential advance in science and technology. At times I am disoriented—my young friends will say that this is merely the normal sign of ageing! In these frantically changing times, one is constantly challenged to adapt and retain one's individual identity. This is a challenge not just for those advanced in age; I believe that this will be the challenge for all in the years to come—the challenge of creating one's singular identity in a world that is increasingly homogenized under mounting material excess and technological overload.

As I now arrive at the moment of closure I do hope that this impressionistic landscape of the socio-economy that has drifted past my eyes in the course of my life creates an authentic picture in the minds of the readers. It contains many thoughts that are somewhat contrarian to today's conventional beliefs. My reflective journey would be adequately rewarded if it induces some readers to engage with the issues discussed in these memoirs. In any event, for me as an individual, this self-exploratory exercise has given me an immense personal satisfaction by bringing some coherent order to the myriad impressions that I have gathered over my life.

Acknowledgements

For any first-time author the moment of reckoning is when he has put that final full-stop to his story. When I reached that moment, I found that a blank wall stared me in the face. Was this story publishable? If yes, who do I take it to? For some six months I procrastinated, rolling the thoughts over in my mind (changing a punctuation mark here and a phrase there), without taking any decisive step to either publish or junk the manuscript. Finally, and not easily, I came to the conclusion that it would not be fair to myself to treat the manuscript as unpublishable—putting it away on the top-most shelf—without first bouncing it off an experienced writer. I therefore willed myself to request an old family friend, Githa Hariharan (also my late wife, Shama's, sparring partner in their extended interactions in the literary world), to read the manuscript and offer her comments. I knew for sure that Githa, herself a writer of high standing in the Indo-Anglian literary arena, is too committed to the writers' vocation to offer soothing comments on an otherwise unredeemable manuscript. From her comments I would clearly know which way to proceed.

Githa read the manuscript and offered encouraging comments; and her final verdict was: the manuscript is 'publishing worthy'. She also made some detailed suggestions for modification of certain sections, which I adopted with profit; at a later stage, she guided me to a publisher. I record these events in some detail as this book would not have happened but for her helping hand. I am deeply grateful to Githa for going so much out of the way in offering me her multi-faceted assistance.

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7. ORPHANED ECONOMIC LAWS

- * This position of Revenue Secretary in the central government is entirely different from the position with the same designation in the state governments—in the centre, the appointee deals with the fiscal matters, while the appointees in the states deal with land revenue issues.