The earlier study undertaken by the NIPFP for the Planning Commission, which was published after some revision in this journal (EPW, May 4, 1991) had placed the level of unrecovered costs (or subsidy) at 14.38 per cent of GDP in 1987-88. Now, despite a reduction in aggregate public expenditures of the centre and states together from 33.4 per cent of GDP in that year to 28.4 per cent in 1994-95, total unrecovered costs still constitute the same 14.4 per cent of GDP as per the latest study, thus implying a significant deterioration in the recovery rates for the user costs of public services. The recovery rate was 34.91 per cent for the centre and 13.91 per cent for the states, or an average of 25.09 per cent, in 1987-88 but they have drastically fallen to 10.7 per cent, 7.0 per cent and 8.2 per cent, respectively. The increase in the reported incidence of subsidy and the drastic fall in the rate of recovery of user costs is neither due to the proliferation of subsidies nor due to an expansion and growth of governmental activities, as it is made out in the government paper. The share of public expenditure as percentage of GDP, as indicated above, has in fact been on a downward trend. Likewise, the 1990s have seen, under the impetus of stabilisation and structural adjustment programmes, a constant endeavour on the part of the governmental authorities to contract subsidies. Thus, the size of explicit subsidies in the central budget as proportion of GDP has come down from 1.79 per cent in 1987-88 to 1.36 per cent in 1994-95 and to 1.28 per cent in 1997-98 (RE). Also, an independent study by the RBI suggests an improvement in the recovery rate of maintenance expenditure from various public services from 13.73 per cent in 1990-91 to 16.48 per cent in 1996-97 (RBI Monthly Bulletin, January 1997).

If, despite these, the incidence of subsidies is estimated to have gone up, the reasons are to be found in those extraneous elements such as the average interest costs which have been arbitrarily pushed up by public policies. There is enough of corroborative evidence on this: Firstly, the increase in the size of subsidy and drastic reduction in the recovery cost has occurred under those heads which are capital-intensive and which would have had relatively large sizes of cumulative capital employed in the creation of physical assets (e.g. irrigation and industries). Secondly, there is evidence to the effect that average interest costs which have been applied to the perpetual inventory of capital outlays, has risen rather significantly during the intervening years. For instance, interest rates charged on plan loans advanced by the centre to the states have gone up from about 4.75-6.75 per cent to 9 per cent between 1987-88 and 1994-95. The rates of interest charged on other plan and non-plan loans have been increased from 8.75-9.25 per cent to 12 per cent and that charged on small saving loans from 9.75 per cent to 14.50 per cent. Differential impact of this feature is found in the subsidy levels and recovery rates under the heads of "agriculture and allied activities" and "irrigation" in respect of the 15 major state governments. For "agriculture and allied activities", the nominal amount of subsidy has gone up fractionally from Rs 4,009 crore in 1987-88 to Rs 4,381.59 crore in 1994-95 and the recovery rate has improved from 28.87 per cent to 32.82 per cent. In contrast, for "irrigation", the subsidy level has shot up from Rs 4,465 crore to Rs 12,421 crore, that is, near two-fold rise and the rate of recovery has drastically come down from 21.47 per cent in 1987-88 to 4.23 per cent in 1994-95. Similarly, under the head 'industries' at the states' level, the recovery rate has dropped from 87.19 per cent to 5.85 per cent during the period. Apart from the inflation of unrecovered costs due to policy quirks, there is the accounting question as to how long back in history the past expenditures have to be cumulated so as to arrive at the cumulative capital expenditure. At least the widely held accounting principle that those project costs which would have been written off commercially should not be considered for such an estimation.

In sum, the government paper has not only a weak theoretical basis, but it fails to take cognisance of the potency of dynamic externalities in a whole range social and economic services which make public interventions a necessary condition for a dynamic growth path. The bias is more blantly reflected in the fact that the proposal to make subsidies transparent, to target them and reduce their overall scale, has been synchronised with a budget that has drastically reduced tax rates for the rich without any concern for the transparency in measuring the massive amounts of revenues surrendered. With it surrendered is also the most feasible option of taxing the rich to the extent they appropriate the benefits of public programmes. Its ramifications for the possible further deterioration of the fiscal crisis seem frightening, but the authorities show no concern for it. Finally, treating the vast segments of social and economic services possessing substantial externalities as part of the so-called 'non-merit' goods and services along with commercial services like electricity, irrigation and transport, and equating desirable forms of subsidies for the former with costs unrecovered for the latter due to socio-political and administrative reasons, are truly indefensible.

Gender in Mainstream Politics
Case of Telugu Desam Party

Kalpana Kannabiran

It is politically necessary to look at the specific contexts within which women of the ruling classes operate in 'politics', and recognise analytically, the fact that just as women's experience as women binds them together in disturbingly similar ways, so also, in fact, in a much stronger and real sense, caste and class along with the unbridled desire for power circumscribe women's participation in politics. The Congress Party had been in power practically uninterrupted in the state since independence, Congress politics in the state and outside had long since degenerated to vigilantism and rowdym of the extreme kind and women's lives and security were increasingly placed at risk, with an alarming rise in cases of rape, harassment and violence against women. When NTR came with his offerings of equal property rights and a safe and clean environment free of violence, women were more than eager to give him a chance. The popular rhetoric of protecting the chastity of mothers and sisters also integral to NTR's style of course is problematic, and bound to have certain predictable consequences, but it was just a spontaneous and uncritical choice that people made. The choice...
at that point was also the only logical option for women because the women's right to property legislation was a move that bolstered the rhetoric on the ground. The later far more politically significant move was NTR's position on the liquor issue: the promise of prohibition. The agenda of the anti-liquor struggle by women was co-opted by the Telugu Desam Party in order to come to power. In the formative stage of the struggle, it was virtually wrested away from the hands of the women who had been central to the struggle and determined its course. NTR's populist welfare measures like Rs 2 kg rice and janata saris and dhotis on the ration card were also schemes that reinforced the stereotype of the benevolent provider. This was an issue which ensured NTR the support from masses of rural and urban working class women.

NTR's populist measures coexisted with a statement of commitment to secularism and a very overt and deep religiosity. His early political career saw him in the garb of a sanyasi. There was also a lot of talk in those days about NTR's participation in 'tantric' ritual involving dead bodies, and his averting a personal calamity by dressing up like a woman at night. All this was soon after the death of his first wife, Basavatarakam, mother of his 11 odd children. The generally accepted assumption is of a benevolent Hindu rule. The dominant colour here is saffron. The rhetoric of the TDP has always been upper caste Hindu, that has relied heavily on analogies with mythological figures, if only for the reason that the TDP supremo, NTR was firmly grounded in a mythological celluloid culture. He modelled himself on celluloid renderings of Rama and Krishna, both celluloid roles NTR has excelled in performing, as the ideal patron-protectors. To begin with the reason, the farming of issues and the articulation of politics is strictly within the paradigm of the patron-protector in relation to his subjects, by definition subservient, although the interests of the subjects are constantly foregrounded in rhetoric. The ambience therefore is feudal to begin with, where Anna (the beneficent elder brother) promises to protect and care for his mothers and younger siblings (mostly younger sisters). Subservience is by definition and generically female [So we have a scenario that is at once romantic, chivalrous and filmy]. NTR was also the beneficent elder brother, or fancied seeing himself as such in relation to radical Left groups, the Naxalites, who were portrayed as heroes, but misguided ones. The way in which he dealt with them was therefore to foreground their interests and politics rhetorically, while simultaneously using the brute force of the state's repressive apparatus to crush resistance. This rupture between rhetoric and practice was inimical to NTR's politics and gets played out at many levels in different constituencies that were subject to his attention and benevolence. The discursive space that a party occupies will get deflected in the 'mainstream' political arena in ways that encompass all possible sites of resistance, either actually neutralising them through co-optation or creating a façade of dialogue while dismantling resistance through the rhetoric of actually being able to stop communal riots in the state during his first term as chief minister. A distinction that no other political party that has been in power in the state can boast of. As the riots were engineered by the Congress Party to create a law and order situation through which president's rule could be imposed both the BJP and the CPM flanked NTR in his struggle which became a struggle for democracy. So we had a relatively peaceful coexistence between saffron robes and secularism in the first phase of the Telugu Desam's history in the state. But again, the peaceful co-existence essentially meant a harmony 'within' the Hindu fold. The minorities, who had up to that point been pushed to a corner by riots and the threat of violence, were now completely marginalised culturally. Their alienation was complete. Andhra was now the land of the Telugu people, with a saffron clad leader in political control. Money and business moved from coastal Andhra to the Nizam's dominions. Telugu became the language of the Nizam's dominions. Urdu could survive only with political patronage. This is in the public arena. While more of this was stated as such, this was in effect what happened. To show his good will to the people of the old city, NTR performed yagnas for communal harmony. Every act/ symbol he used in his practice of secularism was culturally alienating to the non-Hindu/dalit citizen. It is when NTR came to power the second time that the contradictions inherent in NTR's rhetoric began to impact seriously on his political practice.

Marriage in the Politics of Telugu Desam

The second phase, and one that this article explicitly deals with is the phase which marked the entry of Lakshmi Parvati as NTR's wife into the political domain of Telugu Desam. The period that NTR was out of power between his first term and the second, was a personally eventful period. It was a period when NTR fell seriously ill, and was virtually abandoned by his children. Lakshmi Parvati, an ardent fan of NTR and a potential biographer, entered the picture and nursed him back to health. Almost immediately after he recovered, NTR married her, to express his sense of gratitude for her service. And he said so on several occasions publicly. It was the only way he knew of repaying her for the labour that she had invested in him. There is a sense in which the celluloid world collapses with the real time and again in the playing out of the politics of the Telugu Desam Party. And here, I am placing this marriage firmly within the realm of the political. A woman who serves her lord diligently will be rewarded with status in this case marriage, which is in other words a life under the shadow of this protection. It would be pertinent to point out here, that protection once given cannot be withdrawn arbitrarily as that would go contrary to dharma. So in practice therefore, although the entire scene is within the framework of upper caste patriarchal traditions, this marriage opens out spaces (political possibilities, if you will) that are guaranteed patronage, especially if the husband in question is someone who believes totally in his dharma. The fact of political ambition or the will to 'get ahead' in politics therefore does not in these cases detract from or contradict the reactionary potential of the overall framework, whether patriarchal or fundamentalist.

Marriage in the ruling classes as in the rest of civil society is rife with its share of tensions and internal struggles for power. Where the wife is the ideal wife, Sita or Savitri, subservient, acquiescent, there is no context for tension or struggle. The man in these cases plays the ideal husband, dominant, decision-maker and protector. This is one stereotypical image that has been assiduously cultivated through the celluloid medium. However, where the wife is ambitious and engages in the internal struggle for power, using her status as wife to advantage, the husband plays the ideal husband, one who is conscious of and fulfils his dharma as husband by supporting his wife and ensuring her protection in his shadow, grooming her for political heirship in the process, often making the difficult choice between the conflicting interests of sons and their stepmother. This is the other stereotypical
Dasaratha dilemma that is such an intrinsic part of our assiduously celluloid culture. And gender, the construction of masculinities and femininities is central to this dilemma.

The path which Lakshmi Parvati followed during her brief tenure in politics is significant. At the time that she entered politics, before NTR got voted into power, she was very visibly the supportive wife, working for the cause of her husband. For the cause of the Telugu people. But treading the path that her husband chalked out for her, defining her own role strictly within the parameters of an upper caste Hindu rhetoric. Political activism, by this definition is ideally feminine [walking seven paces behind the husband], and confined within the parameters of mainstream [malestream] politics. Her response to TV interviewers who asked whether she would take power was “NTR! NTR, only NTR”.

Having begun like this, Lakshmi Parvati moved quickly to consolidate her own position within the party, and in many ways bending her husband’s “will to hers. As soon as NTR came to political power, therefore, Lakshmi Parvati became the epicentre of extra-constitutional power within the state apparatus. There was a centralisation of corruption, which essentially meant the payment of tribute in material as well as in symbolic terms [not only party workers but even public servants prostrating before her for instance], and the rise of the culture of sycophancy to hitherto unknown heights. While corruption was the basis of the Congress Party as well, the pseudo feudal culture that NTR nurtured in his politics, demanded a total subservience of the individual before the leader or his wife. Very soon, all the decisions were being taken by her while NTR became symbolic of the old, ageing, infirm king, who allowed himself to be manipulated by the machinations of a scheming wife [Kaikkeyi is the analogy that was frequently used in those days]. That Lakshmi Parvati declared to the press that she had sent a formal complaint to the Beijing Conference and had been assured of necessary action! and women’s political power and decision-making a current issue, her coterie was quick to take advantage of the opportunity to project her as a woman wronged and project her experience as a gender issue. Representatives of this group approached various activists in the women’s movement for open support. A new platform was created by her supporters within and outside the party to persuade secular individuals not affiliated to any party, but active in human rights and women’s rights movements to extend their support to her, the Praja Chaitanya Vedika. This did not succeed in drawing any public support from outside, since given Lakshmi Parvati’s perception of the political theatre of gender and the expression of solidarity was impossible. It was true that she was being targeted in a way that a man in her position might not be targeted. But again, she was operating very much within the frameworks of the same patriarchal Hindu discourse. Further, the timing of the appeal to solidarity to women’s groups was also one that caused considerable unease. There was at no point any effort on the part of Lakshmi Parvati to dialogue with women’s groups on key issues in the state, at the time when she was in political control. Women were therefore uneasy about openly alloying with her at this stage. The extremely Hindu rhetoric was further cause for concern. The Praja Chaitanya Vedika organised a huge rally in the middle of November 1995. The turnout at the meeting was unprecedented.

In her speech at the meeting which was supposed to mark her independent entry into politics, the one single point that Lakshmi Parvati made was that people should assist her in retrieving her husband’s lost prestige. Later, when NTR died, Lakshmi Parvati played one version of the grieving widow act. While at most times the onset of widowhood [or the death of a male mentor] to women in public view is known to evoke a sympathetic sentiment in people, in Lakshmi Parvati’s case, even women who initially felt some sympathy towards her were now alienated. There was a sense in which the theatre of grief, that Lakshmi Parvati seemed to bank on so heavily collapsed completely under the weight of the opposition from her stepsons on one side, but also and more importantly under the weight of suspicion that she evoked in the minds of the public about the genuineness of feeling in her enactment of grief—the loud wailing, the inability to keep a physical distance from the body of her dead husband and the reports that all this was preceded by deliberate and planned delays in the public display of grief and the comment of his death and intimidation of other close family members. There was a sense in which the norms that defined the upper class/upper caste character of public/state funerals were grossly violated and people in general were unwilling to take a lenient view. The sons came in for criticism as well for turning a state funeral into a battlefield to stake a claim for power. While it is acknowledged that that is the time when stakes are generally made, for the first time in this case, the facade of ‘dignity’ (or respect for the dead person) was ripped apart, both by the wife and the sons of NTR. That is perhaps an important reason why both the wife and the sons were rejected by the people.

Further, the constant retreat into the husband’s shadow and the consistent refusal to draw legitimacy from anywhere except as his wife, both during his lifetime and immediately after death circumcised Lakshmi Parvati’s politics. At the point therefore when the ‘grieving widow’ became irrelevant, the only logical substitute to the Hindu husband in a sense was the BJP, since the discursive space that the BJP occupied was so close to that occupied by NTR during the second phase of his political career, after his marriage to Lakshmi Parvati. If, as political commentators have said, the BJP represents the rise in regionalism and conditions for the increasing federalisation of the states, Lakshmi Parvati’s rhetoric both sumangali and widow represents a continuity across the board, that could be a factor that accounts both for her “warm reception in the north” (according to press reports) and her later alliance with the BJP. If we look at the role Lakshmi Parvati played in politics, it
is necessary to fix our gaze at the paradigms within which she has functioned.

It has been convenient for political critics to peg on to the fact that Lakshmi Parvati is a woman and a woman who belongs to a backward caste, and is being discredited by the male heirs because of these factors. It is not necessary at this point to waste ink and paper on the traditions that men in mainstream politics represent or uphold. The important question is what is the culture that women in mainstream politics uphold.

For women in politics whether mainstream or radical, the path is tough and often violent. While on the surface there are broad based similarities in patterns of responses and rhetoric, it is important not to lose sight of the qualitative differences that set these women apart from each other as well as from us. These qualitative differences have to do with caste, class, race, ethnicity – all factors that introduce fundamental differences in experience and behaviour. While on the one hand we condemn nepotism and heirship in politics and force an understanding of political leadership that rejects monarchical traditions and treats the people and state machinery as private property, we fail to be as unequivocally critical of women who use the vehicles of marriage, and widowhood to climb the political ladder with no other credentials.

At an extremely general level, the truism that women across the board face very similar kinds of discrimination might work. However, it is politically necessary to move beyond it and look at the specific contexts in which women of the ruling classes operate in ‘politics’, and recognise analytically, the fact that just as women’s experience as women binds them together in disturbingly similar ways, so also, in fact, in a much stronger and real sense, caste and class along with the unbridled desire for power circumscribe women’s participation in politics. We must find ways of seriously examining and understanding the fact of women’s agency in upholding and foregrounding patriarchal, fundamentalist traditions in politics, and to develop secular feminist strategies to dismantle the power of this agency.

Finally, we need to reckon with the similarities between the terms of discourse of right wing parties and mainstream parties and their political practice especially since we more often than not ally with mainstream parties on specific issues.

OBITUARY

S Jagannathan

V V Bhatt

POWER rarely goes with empathy and compassion and sharp intellect with humility. Both seldom go with a strong – almost religious – sense of public duty, performed with serene composure and disarming wit in an environment suffused with politics of power. However, this unusual combination of traits was the distinguishing feature of the personality and character of S Jagannathan, who passed away at the end of 1996 as quietly and gracefully as he lived his life.

He studied physics for his university degrees and worked for some time with C V Raman before he joined the elite group of what was then known as the steel frame of India. It is this group comprising such stalwarts like H M Patel, L K Jha, H V R lyengar and Jagannathan – which played a critical role in bringing about some degree of stability in those post-independent days of fury and violence. Jagannathan had a record of distinguished service in various ministries, before he became the governor of the Reserve Bank of India (RBI), where I had the privilege of working with him for some years. He presided over the RBI in a very difficult environment. Nationalisation of banks was an accomplished fact and the secretary of banking almost became the owner of the banks on behalf of the government. He appointed Board members of the banks and asked government nominees on the board to take decisions on loan applications – not on the basis of logic or principle – but on political grounds, whenever prominent industrialists were concerned. There were cases of favouritism, as well as cheating and fraud. Thus for the RBI, it became difficult to perform its traditional functions of supervision and guidance and prudential regulation of banks.

In this environment, Jagannathan acted with tact, yet firmness. From personal knowledge, I could cite several instances of his independent judgment; but a few will suffice. He warned the government – in a note prepared by a senior officer – that the way in which directors were appointed would make it impossible for them to function in the interests of the sound functioning of banks; they would generally, in their own interest, side with the government nominee, who had to act not on the merits of the proposals, but carry out the instructions from the department of banking. To this, he hardly got any reply from the secretary. On the other hand, with the able assistance of R K Hazari, he strengthened the supervision of banks to avoid cheating and fraud by the bank officials in the zeal to carry out the quantitative targets laid down for the distribution pattern of loans.

In his capacity as chairman of the Industrial Development Bank of India (IDBI), he promised the members of the business community in a public lecture that no viable project would suffer from financial constraint as long as it satisfied strict economic criteria related to rate of return and domestic resource cost (which he called the exchange rate of the project). And he, against the reservations of the banking secretary who was on the board of IDBI, got these criteria approved by the board. Relevant extracts of his lecture relating to the logic of the criteria were published by the IMF’s Finance and Development; such was the significance of these criteria for development banks all over the developing world.

In this connection, I may mention an amusing incident, which reveals the functioning of some board members. When the selection criteria were discussed, one would have expected the economist member of the board to support the proposal on the basis of economic logic. He however, kept quiet at the board meeting. When the IDBI general manager asked, after the meeting, for the reasons for his silence, he said he had not read the board paper on the subject. It was on the basis of these criteria that the IDBI rejected financing the Maruti project – a project of the son of the then high and mighty prime minister. And Jagannathan had the courage to inform the government of the reasons for this rejection.

I may mention two other incidents, which provide the flavour of the policy environment of those days. The IDBI had appointed a committee to consider the State Industrial Development Corporations (SIDCs) on the same footing as State Finance Corporations with regard to their relationship with the IDBI. The IDBI requested the joint secretary of the banking department to become a member of this committee. This direct letter to the joint secretary infuriated the secretary, who wrote to Jagannathan, complaining why the general manager (whom he knew but did not name) wrote directly to the joint secretary instead of writing first to the secretary, and further questioning the propriety of not first getting the approval of the RBI board for the appointment of the committee.

Jagannathan, with his usual wit wrote a two-line reply drawing attention to the letter put up at the recent board meeting – a paper which the secretary (who was a board