



The Political Class

Four ministers and counting. That's the fallout from the Coalgate mess so far. The largest challenge possibly facing the coal sector today is rent-seeking is from the political establishment. Elections in India have been getting costlier. At a Observer Research Foundation (ORF) roundtable this February on 'campaign finance reforms in India', BJP MP Rajiv Pratap Rudy had said: "In Goa [which was going to elections then], each candidate, whether from the Congress or the BJP [or other political parties], would be spending ₹5-7 crore." The official Election Commission ceiling is ₹16 lakh.

At the same roundtable, Congress MP Manish Tewari said there were reports of candidates spending ₹18-20 crore each during the Punjab elections in January. He also

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added that "the vigilance of the Election Commission [on spending ceilings] is driving a lot of this money underground". Where is this money coming from? According to Niranjana Sahoo, a senior fellow at ORF, increasingly, they are not extracting rent from programmes that are politically beneficial like NREGA and PDS. Instead, he adds, they are moving to minerals and natural resources. "This is a form of corruption the common man stays more or less oblivious to," he says.

That is what happened in Coalgate. Blocks were up for sale, or were slipped to people close to politicians. More recently, clearances for these blocks have been up for sale. There are two things to be said here. First, it is likely – possible, anyway, – that the CBI will nail the specific cases where companies and individuals illegitimately benefited from the captive block allocations. However, that is not enough to ensure something like this doesn't happen again. If not in coal, then with some other resource in short supply. ■