



# *Director's Pick*

*Issue XVII*



Vivekananda International Foundation

# General N C Vij, PVSM, UYSM, AVSM

## Director, VIF



Dear Readers,

25 Mar 2017

*The fortnight in the aftermath of the state elections in five states has been dominated by certain major indicators of the days to come in the India's so far fixated political dispensation. Thus there is the message of popular overturning the politics of vote catching by the dubious means of exacerbating caste divides, class divisions, misuse of public exchequer, unabashed corruption and overlook of crass criminality. Indeed, the message is clear: all these festering ills stand rejected in favour of the citizen's aspirations for societal stability and 'progress for all'. It is hoped that the new state governments would honour the people's sentiments and get down to solid nation building.*

*Obviously, the new trend of the recent elections and the hope it has generated among the citizens has gained our Foundation's focus during this fortnight. This focus is reflected in the thoughtful articles uploaded in our website [www.vifindia.org](http://www.vifindia.org). I enjoin our readers to delve into these articulations to get the feel of the common citizen's quest and political promises for the future.*

*Domestic focus notwithstanding, we at the VIF have continued with our series of confabulations on the key strategic concerns that confront our nation. Accordingly, we have had substantial and candid discussions with strategic opinion makers from US, Israel and France. Brief reports covering these confabulations are available on our website. Among these, the report on our interactions with top decision makers in Washington would be of particular interest to our readers.*

*Lastly, in continuation of our quest to highlight the nation's landmark achievements, of which the citizens could be proud of, we have a piece on the 'Project Sagarmala' under the column 'Vibrant India'.*



*I invite our readers to peruse through the VIF website [www.vifindia.org](http://www.vifindia.org) and offer their comments and suggestions that would help us serve the national cause better.*

*Happy reading,*

*Yours Sincerely,*



*General N C Vij  
Director, Vivekananda International Foundation  
New Delhi*



# Contents

## Articles

- Why the Media is Unable to Fathom the Modi Phenomenon ..... 5-6  
*-Dr A Surya Prakash, Distinguished Fellow, VIF*
- BJP's Sweeping Wins: New Political Demographic in Making ..... 7-11  
*-Rajesh Singh*
- Universal Basic Income: An Idea Whose Time Has Come? ..... 12-16  
*- Shreya Kedia*

## Event

- VIF Delegation in Washington DC ..... 17-19
- National Workshop on Doubling Farmers' Income through Scaling-up ..... 20-23



## Why the Media is Unable to Fathom the Modi Phenomenon

*Dr A Surya Prakash, Distinguished Fellow, VIF*

16 Mar 2017

*The Bharatiya Janata Party's (BJP) spectacular victory in Uttar Pradesh (UP) and its impressive performance in three other states has stunned commentators and psephologists alike. The eventual outcome in this unforgettable electoral battle was nowhere near what most political pundits were churning out as considered analysis or what pollsters were predicting in their pre-poll surveys and even exit polls. It seemed as if mainstream media – both print and television – had lost the capacity to step back and dispassionately view the electoral drama as it unfolded.*

*One of the prime reasons for this is the deep-seated prejudice and even hatred for the Prime Minister, Mr. Narendra Modi and the BJP among commentators and the unwillingness to go beyond the moth-eaten script that sees everything through the prism of so-called secularism and Hindu communalism. As per this narrative, largely pushed by Nehruvians and their Marxist friends, the Nehruvians are the good guys in Indian politics; the Marxists, who ride piggyback on the Nehruvians are also, by association, good guys. Those who have a nationalist bent of mind are the bad guys and those who represent regional political forces are to be tolerated and manipulated whenever necessary. The Nehruvian and Marxist schools have permeated the media, specially the English media, the academia and the bureaucracy over the last seventy years and ensured that much of the discourse is along the lines scripted by them. Therefore, it is fashionable to be Nehruvian or left-leaning. Those who do not conform to these two schools are to be treated as pariahs and generally kept away from the upper echelons of the editorial departments.*

*Coming back to UP - 2017, since the media, dominated by these two schools, view everything through this prism, they were unwilling to go beyond this template of the electoral battle being a Maha Yuddh between “secular” forces and Hindu Communalists! As the results show, they went horribly wrong because the people did not perceive their so-called secular parties as “secular”; nor did they perceive Mr. Modi and his party as a bunch of Hindu communalists! In reality, it was a battle between retrograde forces like the Congress Party, the Samajwadi Party (SP) and Bahujan Samaj Party (BSP) – who were bombarding the people with divisive, decrepit slogans of an old India - and Prime Minister Modi, who was offering the youth and the aspirational classes a new India in which the mool mantra would be fairness and everyone would have equal opportunity.*

*This media also got it completely wrong when it came to demonetisation. Although the poorest of the poor, who stood in long queues for hours, backed Mr. Modi to the hilt on this, influential sections of the media never saw this. It also did not see that Mr. Modi had through his fair and honest implementation of policies like Ujjwala (providing cooking gas connections free to women from Below Poverty Line (BPL) households), the Jan Dhan Yojana and the low-premium insurance scheme for the poor, had over the last two years, quietly entered the hearts and hearths of the poor across the land. It is here that one can draw a comparison between him and Indira Gandhi. She too caught the imagination of the poor and spoke ad nauseum about banishing poverty (Garibi Hatao), but had no plan to execute it. The comparison must end here, because Mr. Modi's ability to execute his ideas is of a different level altogether.*



*While Mrs Gandhi nationalized banks and squandered public money on bogus loan melas in which the beneficiaries were often Congress workers, Mr. Modi got a mind-boggling 250 million poor citizens to open bank accounts.*

*The media also lost track of the fact that Mr. Modi never played the communal card in this election. He only spoke of development policies that would embrace everyone, cutting across caste, creed, gender, region and religion. Since the media is used to a staple diet of communal or caste conflict in electoral politics, it refused to believe that the prime minister was seeking votes on the most secular agenda of them all – ‘development’! In any case, the media believed that development is not “sexy” enough to garner votes! Mr. Modi referred to this when he addressed a gathering in the party headquarters that the media had failed to take note of the fact that the BJP had registered such a massive victory purely on a development agenda.*

*Mr. Modi also rose to new heights of statesmanship when he told the party after the results that “Sarkar bantee hain bahumath se, lekin chaltee hai sarva math se; Sarkar sab ke hothe hain - “Jinhone Vote Diya, Unke bhee hain; Jinhone vote nahee diyaa, Unke bhee hain” (Governments are formed on the basis of the opinion of the majority; but they run with the blessings of everyone. The government belongs to everyone – it belongs to those who voted for us, and it also belongs to those who did not vote for us”. Have you ever heard a national leader before Mr. Modi draw such a profound distinction between electoral politics and governance?*

*There are several messages emanating from Uttar Pradesh, Uttarakhand and Manipur and from Orissa and Maharashtra, which witnessed panchayat and municipal elections recently. It is now obvious that the people see Mr. Modi as a decisive leader who can take tough decisions and re-build a strong and united India. They are worried about the fissiparous tendencies that are growing in the country and the overt and covert support that the Congress Party and left-leaning elements in our polity are lending to those who are trying to weaken the unity and integrity of India. The strange developments in university campuses in New Delhi and West Bengal, where students, supported by the Left, are heard shouting “Bharat ko Tukde, Tukde Karenge” (We will break-up India) has unnerved the average Indian.*

*Further, he is unable to understand how leaders of many national and regional parties could support Kashmiri militants and others who are raising secessionist slogans. The vulgar appeasement of religious minorities and the extremely dangerous and divisive politics of many regional and caste-based parties has also become a matter of concern.*

*Finally, the country is yet to recover from the wobbly coalition that Mr. Manmohan Singh headed for ten years, which enfeebled the country and raised serious doubts about our ability to govern ourselves. Overall, after a lapse of three decades, there is a national mood building up in favour of a robust, over-arching national party headed by a strong leader who can take tough decisions and keep the country together. The mood is against unstable coalitions, parties which play denominational politics and parties like the two communist parties who are playing the treacherous game of encouraging centrifugal forces. And, who can fix all this? Mr. Modi, of course!*

*(The author is Chairman of the Prasar Bharati)*



# BJP's Sweeping Wins: New Political Demographic in Making

*Rajesh Singh*

15 Mar 2017

*The Bharatiya Janata Party's (BJP) sweeping wins in the just concluded elections to the State Assemblies of Uttar Pradesh and Uttarakhand, have all but obliterated the humiliation the party had suffered in the Delhi and Bihar Assembly elections. In addition to the three-fourth majority it gained in the two States, the BJP arrived in style in Manipur. From zero presence in the Assembly to 21 members in a House of 60, the party has taken another important step towards expanding its hold in the North-East. A few months ago, it had wrested Assam from the Congress, and in Arunachal Pradesh it had managed to win over the Chief Minister and his team to its side, thereby formally having a BJP regime in a second north-eastern State. Having won over the support of regional parties in Manipur, the BJP now has its footprint there too.*

*It's Uttar Pradesh that has provided an opportunity and a challenge for the BJP. The voters left nothing to chance, giving the party more than 300 seats out of the 403 in the House. The figures are striking, and so is the fact that this is the first time in 37 years that a party has crossed the 300-mark in the State's Assembly. And yet, the real story lies elsewhere. The BJP has virtually decimated the two most dominant regional parties of Uttar Pradesh – the Samajwadi Party (SP) and the Bahujan Samaj Party (BSP) – in a repeat of the 2014 Lok Sabha poll. Given that both the SP and the BSP have foundations in caste considerations, it can be said with an amount of certainty that the voters have rejected the caste-based appeals of these two outfits and given their support on the plank of development which the Modi-driven BJP has promised. This is a stunning, and welcome departure from the past, where 'caste cast the vote'. It's also a message to the two parties to reset their electoral priorities or face similar humiliation in future.*

*The second element is that both the SP and the BSP had wooed the minority community in the State (read Muslims) almost as if they owed its members. And yet, in more than 100 Assembly constituencies where the Muslim population was 20 per cent and more, BJP candidates emerged victorious. This demonstrates, even if to an extent, that the minority voters are no longer shackled by religious considerations.*

*These are interesting developments, and they point to a new voting pattern that is emerging in Uttar Pradesh's caste-ridden society. If this fresh template sustains, it could trigger a similar shift in electoral politics throughout the country. However, the sustainability of the 'fresh order' depends on the performance of the BJP-led Government which assumes power in Lucknow. The new regime must proceed, without diversions, on inclusive development, and take all communities and castes along. It has a golden opportunity to practice the politics of "New India" – in Prime Minister Narendra Modi's words.*

*As with Manipur, so with Goa in the west, where too the BJP finished second behind the Congress but came first in sewing an alliance. The party moved so swiftly that within 24 hours of the election result being out, it had decided on the chief ministerial choice (pulling out Manohar Parrikar from the Union Cabinet and dispatching him as Chief Minister) and secured the support of regional parties. In both these cases, the Congress was caught napping. It's only in Punjab that it has had reason to cheer. The party scored an emphatic victory, ousting the*



*Shiromani Akali Dal (SAD) - BJP combine and dashing the Aam Aadmi Party's (AAP) hopes of expanding its footprint beyond Delhi. But while the Congress can celebrate this victory, it must remember that Punjab's verdict is not seen as a defeat for the BJP as it is considered a referendum against the SAD — the dominant player in the State. On the other hand, the battering the Congress has received in Uttar Pradesh and Uttarakhand is a clear rejection by the voters of the party's so-called high command leadership.*

*The situation is now precarious for the Congress and motivating for the BJP. The Congress is shrinking in the North-East, the east, the west, the north and the south — in other words, all over the country. With Assam, Manipur and Arunachal Pradesh gone, it is left with Meghalaya and Mizoram. Along with Nagaland and Tripura, the two States vote for new Assemblies the following year. The Congress has a difficult time ahead. In Meghalaya, for example, the BJP has allies such as the National People's Party and the United Democratic Party, and in Mizoram it will lean on the Mizo National Front. If the Congress's primacy is being threatened in these two States, in Tripura, which the Left Front rules, it faces the prospect of being pushed aside from its second position by the BJP. Just over a year ago, the BJP surprised and shocked its rivals by its performance in the urban local body elections. For the very first time, it won in four wards and finished ahead of the Congress in most of the municipal councils.*

*The BJP's attention to the politics of the North-East is driven by a 'special purpose vehicle', which is the North East Democratic Alliance (NEDA). It came into being about a year ago as an umbrella organisation for various non-Congress parties operating in the northeastern region. The idea was two-fold: One, to project a pro-BJP political combine as an effective alternative to the Congress; and two, to promote the aspirations and the unique identity of the North-East. It was a shrewd socio-political move and the results are beginning to show. At the helm as NEDA's national convener is senior political leader from Assam, Himanta Biswa Sarma. He has been crisscrossing the North-East, spearheading the BJP-led drive. Sarma had dumped the Congress after being disgusted with Rahul Gandhi's leadership and joined the BJP before Assam went to poll. Then, he played a crucial role in scripting his new party's victory in that State; in the last few days, he had been active in seeking to establish a BJP-led regime in Manipur. His efforts have been critical in securing the support of the Naga People's Front and the National People's Party.*

*Of course, the BJP's next big contest will be the Gujarat Assembly election, which is due to take place towards the year-end. The party has had a long, 19-year stint in Prime Minister Narendra Modi's home State — during which Modi was himself the Chief Minister for 12 years. But Gujarat is important for other reasons too. The BJP has traditionally faced a direct contest with the Congress, and this is unlikely to change significantly in the coming election. The Congress will be hoping for the Hardik Patel factor to dent the BJP's prospects. Hardik Patel is being backed by the Shiv Sena, which is leaving no stone unturned to embarrass its ally both at the Centre and in Maharashtra. Although, from whatever is evident for now, the self-appointed Patel leader is unlikely to pull in votes, the Congress can overstate his case in a desperate bid to derail the BJP.*

*Besides, the Congress is hoping to build on the recent setbacks the BJP suffered in the State's panchayat election. From just one district panchayat in 2010, the Congress gained in 24 in the 2015 local body poll. On the other hand, the BJP's tally went down from 30 district panchayats (out of 31) to just six. It must be said that the party responded fast to the setback, replacing Chief Minister Anandiben Patel with a new leader. Right or*



wrong, a perception had gained ground that Anandiben Patel had failed to galvanise the party and meet the challenge from the upstart Hardik Patel.

Of course, while the Hardik Patel factor may well be overstated in the coming State election, it does add an element to the complexity — just as the AAP's presence will. The AAP has decided to fight the Gujarat Assembly poll. It has neither a local leader nor cadre worth the name, but then it always aims to be at least of nuisance value wherever Arvind Kejriwal decides to go. If it does contest seriously, one wonders whether it will harm the BJP or end up eating into the Congress's votes. As for the Congress, it has a strong organisation in the State but its leadership is completely clueless on how to counter Modi's popular mass appeal. Besides, having been out of power for nearly two decades now, the party's State unit has begun to creak at the joints.

After the Delhi success, the AAP believed it had a national chance. Its leader Kejriwal contested the Lok Sabha election from Varanasi against Modi, and lost miserably. After that drubbing, the party did not even dream of contesting the Uttar Pradesh Assembly election this time. Instead, it invested its energy and hopes on Punjab — and to a lesser extent in Goa. It had high expectations from Punjab, given that all four of its members in the Lok Sabha have been elected from here. Every senior leader from the party, from Kejriwal down, campaigned vigorously in the State, reviling both the Akali Dal-BJP coalition and the Congress, calling them names on social media and elsewhere. But the AAP ought to have seen the writing on the wall when it failed in its bid to get Navjot Singh Sidhu (resulting in bad blood out in the open), when its leaders were involved in controversial activities that hurt Sikh sentiments, and when it failed to project a credible local leadership. In their enthusiasm to sully the Badal name, AAP leaders forgot that the Badals were already facing anti-incumbency and perceptual issues; the real challenge was emanating from a resurgent Congress. The end result was that the voters treated the AAP and the Akali Dal almost equally — the former got only a few seats more than the SAD-BJP and vastly fewer than the Congress.

The AAP's problem has been its over-confidence and the misplaced belief that States across the country are waiting with open arms to welcome the party. It rushed to Goa after realising that Parrikar's absence from the State had weakened the BJP. It believed that it could, if nothing else, replace the Congress as the runner-up. The party's central leadership messed up the campaign from the start, since it neither had credible candidates nor had it created an organisational structure. Thus, it failed to register a single victory even as the voters chose a hung House, preferring a clutch of regional outfits to the AAP. Most embarrassingly, AAP candidates lost their deposits in all but one of the seats contested by them!

But while the AAP wants to fly even before it has learned to walk, the Congress and the BJP have larger and more real battles ahead. Here, as mentioned before, the Congress is fighting with its back to the wall. Another of its fortresses is under assault — Himachal Pradesh. Voting for a new Assembly should happen by this year-end, and while it's a small State with less significance in terms of national politics, there is a psychological factor at play for both the national parties there. A victory in Himachal Pradesh will further the BJP's aim of Congress-mukt India (meaning, releasing State after State from Congress rule). For the Congress, any win, however small, would be a relief.



*The BJP does not believe in letting the grass grow under its feet. So, it is gearing up for contests that would happen next year as well — in Karnataka, for instance. It wants to sustain the momentum of victory and euphoria of the present. The grand ceremony the party organised on Sunday at the party's headquarters in Delhi, which the Prime Minister addressed along with the likes of Amit Shah in the presence of senior party functionaries and Ministers, is part of that action plan. Karnataka is the only south Indian State where the BJP had a Government before the Congress displaced it and the Siddaramaiah Government assumed power in 2013. Senior state leaders of the BJP had been hit by multiple allegations of corruption, and the party also faced splits and departures. But that's the past. Veteran leader and former Chief Minister BS Yeddyurappa is back in the BJP, and the party is hoping to get its act together in the months to come. There is internal dissension still, but the fear of another loss should persuade warring factions to come together. Besides, emboldened by the Uttar Pradesh victory, the central leadership of the BJP is less likely to be accommodative to troublesome elements within the party. There are other factors too that can go in the BJP's favour. Senior Congress leader and former Union Minister SM Krishna is expected to join the BJP soon. Although he is no longer a mass leader, he does have an urban appeal. Besides, he is from the powerful Vokkaliga community and hails from Mandya region, where the BJP has been traditionally weak.*

*Caste arithmetic matters in Karnataka, as much as it does in States like Uttar Pradesh and Bihar. According to a recent survey conducted by a national daily, more than 40 per cent of respondents polled, said caste considerations were more important than the credentials of the candidates in the fray. Education appears to have done little to change this mindset. The survey informed that 47 per cent of respondents with post-graduate qualifications admitted to being influenced by caste in their voting preference. Similarly, those with higher incomes (between one lakh rupees and ₹ 10 lakh annually) believed in caste-based voting more than those who earned lesser (₹ 25,000-₹ 50,000 annually). Given this reality, the Vokkaliga (and the Lingayat) factor becomes critical. The Congress faces a challenge as it does not have the full support of either of these groups — or of the Dalits, for that matter.*

*This should, on paper, make the BJP's task easier. But it is not so. There is the 'X' factor, which is the Janata Dal — Secular (JD(S)), led by former Prime Minister HD Deve Gowda. Formed 17 years ago, it has done business with both the Congress and the BJP, and has an important presence in the State. Of the 222 Assembly seats that went to vote in 2013, the JD(S) won 40. Its leader HD Kumaraswamy served as Chief Minister for some 20 months between 2006 and 2007. It has a base among the Other Backward Classes. The BJP, thus, has to battle the JD(S) alongside the Congress, always keeping in mind that when it comes to the crunch, the JD(S) is more likely to back the Congress. What is going in the BJP's favour is that there is a tremendous amount of resentment among the people against the Siddaramaiah regime. Also, the BJP's surge across the country could influence the voters of Karnataka as well.*

*If the Modi-Amit Shah combine gets Karnataka back into the BJP's kitty, it will then be emboldened to dream bigger in southern India. In Tamil Nadu, for example. The AIADMK is in a shambles after the death of J Jayalalithaa. The party stands divided between the VK Sasikala and the O Panneerselvam factions. To queer the pitch further, there are claimants for the late leader's political legacy from Jayalalithaa's family members. The BJP has a real chance to position itself as a credible alternative to the rival DMK if the AIDMK splinters or loses a few elections along the way.*



*elections along the way. By no stretch of imagination can the BJP hope to form a Government there tomorrow, but the groundwork can begin for the near future. All it needs is to attract some high-profile names to its fold to give it the initial push. From all accounts, work is in progress there.*

*Kerala is another State the BJP is seriously working on. It has reason to feel upbeat by the progress so far in a State which has since independence been either with the Left Front or with the Congress. In 2011, the party's vote share in the Assembly election was a mere six per cent; it shot up to over 15 per cent in 2016. By contrast, the Congress vote share, which was 26.4 per cent in 2011, slipped to 23.7 per cent in 2016. There had been a clear consolidation of votes in the Hindu heartlands of the State, with the impact of its rise being felt more by the Congress-led front than the Left-led combine. While the Left's share of votes rose in the 2016 poll as compared to the 2014 Lok Sabha election, that of the Congress fell dramatically — from 31 per cent to some 24 per cent.*

*This will not be good news for the Congress. Senior party leader and former Union Minister AK Antony had warned his State leaders against neglecting the majority community in their pursuit of the minority and the 'secular' votes. His caution went unheeded; in many Hindu-dominated segments, the majority community voted for the BJP and effectively caused the Congress's defeat. The BJP may have won just one seat but it ruined the Congress's prospects. The voters were also upset that, even as the Left continued to physically target its workers and those of the Sangh parivar in general, the Congress remained mute and didn't speak out in favour of the victims of the majority community.*

*In sum, the victory in Uttar Pradesh can lead to even more monumental changes in the nation's political demographics and, more immediately, impact the 2019 Lok Sabha election. A few opposition party leaders have already thrown in the towel, dolefully saying that the non-BJP opposition might as well forget 2019 and think of 2024!*

*(The writer is Opinion Editor of The Pioneer, senior political commentator and public affairs analyst)*



# Universal Basic Income: An idea whose time has come?

*Shreya Kedia*

23 Mar 2017

*The 2016-2017 Economic Survey of India (ESI), which was presented a day before the Union Budget was placed in Parliament, threw up the interesting idea of Universal Basic Income (UBI). It even gave the suggestion a swadeshi touch. An entire chapter titled, 'Universal Basic Income: A Conversation With and Within the Mahatma', dealt with the subject. The report referred to the Father of the Nation and brought home the fact that it is the responsibility of the state to protect the interests of the poorest of the poor.*

*Referring to the UBI as a "radical and compelling" paradigm shift in thinking about both "social justice" and a "productive economy", the ESI emphasised on the need to reduce poverty, and advocated for its roll-out as an alternative to various social sector subsidy schemes. It said that "the UBI is, like any other right, "unconditional and universal" and that "the time has come to think of UBI for a number of reasons". It added, "The UBI is a powerful idea whose time, even if not ripe for implementation, is ripe for serious discussion." The ESI called for a practical, serious consideration and critical analyses of the costs, benefits and challenges ahead for the UBI to become a reality. It argues that given the costs attached, the UBI must not be seen in isolation as an alternative to the welfare schemes which have been successful, but as an integrating factor.*

*Since independence, remarkable progress has been achieved in bringing poverty levels — down from 70 per cent to 22 per cent in 2011-12. But the social security schemes have largely remained bogged down due to leakages and corruption which have ensured that the poor are often excluded from the intended beneficiary list. The initial barrier for the UBI to become a reality, the survey argues, are "implementation challenges". However, it says, "the real opportunities afforded by the rapidly improving 'JAM' - Jan Dhan accounts, Aadhaar and Mobile; infrastructure, holds the prospects of improving upon the status quo".*

*Rightly, a prerequisite for the UBI to be successful is to ensure financial inclusion for direct benefit transfers (DBT). The Jan Dhan accounts could ensure that the UBI is leakage-free as money would be transferred directly into the beneficiary's account through automated systems. As per official records, Jan Dhan and Aadhaar now have a wider presence in the country than earlier. There are 26.5 crore Jan Dhan accounts, which account for 21 per cent of the population across the country. Of these, 57 per cent are Aadhaar-linked. Also, Jan Dhan accounts are already being used for receiving subsidy benefits for cooking gas. The introduction of JAM will further strengthen this network,*

*The UBI idea is, however, not a new one. There have been quite a few policymakers who have been discussing it and writing about it at individual levels, bringing out different facets of the idea. Proponents who have voiced in support of UBI, include noted British economist Guy Standing and Indian economists Pranab Bardhan and Surjit Bhalla – they have strongly praised the idea of UBI. On the other hand, there are also critics, which includes French economist Thomas Piketty and others like Reetika Khera and Jayati Ghosh, who have expressed their reservations about the implementation of the UBI owing to*



their reservations about the implementation of the UBI owing to the non-availability of a robust welfare architecture in the country. One such interesting take is provided by a Biju Janata Dal Lok Sabha MP from Odisha, Baijayant 'Jay' Panda, who, in an article in the Times of India titled, 'Cash To All Citizens: Universal Basic Income could actually Work Better in India than in Rich Countries', opined that the UBI was a good idea and would also work better in developing countries like India. But he also expressed a note of caution saying that the thought be further explored. He argued that although there was a wide difference between the rationale, objectives and resources available in a developed and developing nation, the time was ripe for Indian politicians to start debating the UBI, irrespective of whether our instinct was to agree or disagree with such an idea.

Panda appeared to be slightly tilted towards the UBI in theory. However, he also had his reservations. Bringing out the difference between the ideas of a welfare state as it was in the 18th century, and the 21st century, he cautioned against the prospect of millions of jobs being eliminated by automation in this century, which is a reality. He said that while an Oxford University study estimates that "47 per cent of the jobs in the US are at risk of being automated in the next 20 years", to expect that a developing country like India would stride this phase of technological shift with determination, would be foolhardy. Panda's fear of automation, when seen in the Indian context, is a cause of concern. A World Bank report predicted that "automation threatens 69 per cent of the jobs in India" and that "technology could fundamentally disrupt the pattern of traditional economic path in developing countries". This will be an add-on to the already existing unemployment rate in the country which stands at around five per cent, according to the fifth annual employment-unemployment survey. Alarmingly, the report noted that almost 77 per cent of all households in India reported that they had no regular waged or salaried person. If this is the case, the UBI could enhance the problem. This, for two reasons: First, India is a country which is low on unemployment benefits and social security. Second, chances are ripe that most Indians will want to sit back at home as the grants coming from the UBI will be for free, in lieu of no work. It is also the case that many Indians would want to work because they have the skill which will lead them to get a job that will make them earn more than what is promised in the UBI. It's also possible that the UBI might reinforce the idea of men spending high on liquor and bringing in the old-fashioned idea of women sitting at home.

However, Panda also argued that the roll-out of the UBI will be smoother in India as it would be easier to generate funds in a developing nation than in a developed nation. He said that generating funds in a developed country would "require brutal cuts to existing programmes that benefit the poor, while keeping in mind social sector expenditure". On the other hand, in India, "where the existing social sector spending is grossly inefficient, corruption-ridden, misdirected towards the better-off, it will be easier to achieve the stated objectives". Panda's assertions need to be taken seriously and there has to be a full-fledged discussion at the highest level of the Government.

Meanwhile, the Government has not clarified its position on the issue. Even as an entire chapter was dedicated to the UBI, Union Finance Minister Arun Jaitley remained silent on this subject in his Budget speech. This is understandable, given that little ground-work has been done on the issue and, therefore, it would have been premature of the Finance Minister to even suggest the UBI at this stage. In an interview after the Budget presentation, he did say, "The difficulty that I see is that India's politics is yet to mature and in a politics which has not matured, you will have a kind of demand for continuing the existing set of subsidies and give universal basic income which is something which is not possible." This is a valid point. Whether the UBI will be beneficial or not is not the



foremost challenge, especially in India, where we do not have a united, but a divided Opposition. The very first stumbling block for the Government, therefore, would be to overcome the political process in implementing the UBI.

For this, the Government has to create an atmosphere where Opposition leaders can come together, sit and discuss the idea of a UBI. However, if the opposition parties' response to the Government's recent demonetisation decision is anything to go by, it can be said that to expect our leaders to create a conducive atmosphere to debate the UBI, is ask for the moon. The maturity level to which Jaitley referred to was, that it will be difficult for our leaders to shift from the age-old practice of giving subsidies to the poor, (who in reality either remain at the mercy of venal officers to get their due or do not get their share) to the idea of giving a minimum sum to the poor on which they can count for basic access to goods so that they can live a life of dignity. Reaching a political consensus to debate on a given topic is, in itself, an uphill task.

The idea behind an unconditional UBI is that a monthly income should be paid to every deserving citizen of this country, as an entitlement and not in lieu of work. The purpose, as the ESI cites, is to reduce poverty and joblessness while seeking a replacement to various subsidies as they exist today. The suggestion is to give the citizens a minimum sum which can act as a safety net in times when they face financial crisis and to also avoid the poverty trap. Undoubtedly, the UBI will be beneficial for people who have been victims of dysfunctional subsidies which have just remained on paper. The problem with such anti-poverty schemes — which provide subsidised fuel, food, gas, electricity — is that they have remained inefficient and corrupt. While sufficient funds are allotted by the Union Government, leakages at various levels prevent the benefits from flowing to the poor. The leakage rate of India's public distribution system has been estimated at an unacceptable high level of 40 per cent!

According to a recent estimate, around one-third of the grain set aside for India's food-welfare programme, never reached the intended beneficiaries in 2012, the most recent year for which comprehensive data are available. Additionally, payments under a giant rural-work programme were regularly delayed, which left the families in the lurch. Prime Minister Narendra Modi's Government has tried to patch up the system, largely by moving toward reimbursing the poor on their purchases of basic goods, with money paid directly into their bank accounts and also by increasing allocations. In a major boost to schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Union Government made the highest ever allocation of ₹ 48,000 crore for 2017-18. The fact of the matter is that with over 950 centrally-administered welfare programmes, the many indignities attached with the poor had been the country's thicket of welfare programmes.

The following figures speak for themselves: Despite spending a large amount of ₹ 2.5 lakh crore in subsidies during 2016-17, there has been no 'transformational impact' on the standard of living of the masses. The largest chunk of ₹ 1.34 lakh crore was estimated as food subsidy for the year, while ₹ 70,000 crore was the estimated subsidy for fertilisers. Petroleum products accounted for another ₹ 26,947 crore, which included ₹ 19,802.79 crore for subsidy on LPG and ₹ 7,144.21 crore for kerosene subsidy.



The nomenclature, 'universal', in the UBI is misleading, though, because it seeks to target just about 45 per cent of the Indian population. With a population of 1.22 billion, there are about 270 million persons below the poverty line as of 2011-12, as per the latest Government data, which comprises 216.5 million rural poor and 52.8 million urban poor. The survey's prediction of a fall of poverty line to 0.5 per cent at the cost of about four to five per cent GDP is based on the assumption that the UBI will not be a universal dole but a targeted income scheme. The notion of 'universality' should instead aim to reduce bureaucratic negligence and prevent leakages which happens when discriminatory groups becomes dependent on the executive for benefits. It's a different matter that, defining BPL has remained a bone of contention. The task of differentiating between those who are and who aren't in need of assistance is a messy affair. India's first poverty line was generated in the 1970's, when the then Planning Commission defined it on the basis of minimum daily requirement of 2,400 and 2,100 calories for an adult in rural and urban areas. Subsequently, keeping in line with emerging times, attempts were made to give it a more realistic touch. In view of increasing requirements on account of changing times, some modifications were made. Two committees attempted to give a better definition to poverty.

In a first, in 2009, the Suresh Tendulkar Committee, under the UPA Government, attempted to better estimate India's poverty line by fixing a standard daily per capita spending of ₹ 27 in rural areas and ₹ 33 in urban. The committee arrived at a cut-off of 22 per cent of the population below poverty line. The Tendulkar panel's results enraged many, including activists, politicians and economist for its flawed methodology to fix poverty lines. Critics argued that the numbers were unrealistic and too low as not only had the committee under-estimated the expenses on health and education but had also brought down the minimum calorie norms. The UPA Government was, therefore, forced to appoint another committee to re-estimate poverty figures. In 2014, the C Rangarajan Committee was given the task to come up with fresh figures. Discarding the Tendulkar committee's methodology, it raised the limit to ₹ 32 and ₹ 47 for rural and urban areas respectively. It worked out poverty line at close to 30 per cent - this was much closer to global standards. However, this was not enough to tone down the critics and was subsequently turned down by the NDA Government which was then in Opposition.

Since then, many Government, non-Government and private organisations have attempted at giving a meaningful definition to poverty lines using different methodologies. But none was satisfactory enough. The current NDA Government constituted a 14-member task force under NITI Aayog Vice Chairman Arvind Panagariya to come out with recommendations for a realistic poverty line, which submitted its report last year. Nevertheless, assuming that some acceptable definition will be found for the BPL, the fact remains that the UBI will not remain 'universal' but targeted.

There are various reasons why India cannot perhaps afford a UBI at this stage. First of these is fiscal affordability. Based on poverty estimates for 2014-15, economists have proposed an annual payment of between ₹ 3,500 and ₹ 10,000 per person. This amounts to a total of 3.5 per cent to 10 per cent of the gross domestic product (GDP). Of this, non-merit subsidies (which includes fuel and fertiliser subsidies as well as water electricity and rail fare) account for about eight per cent of the GDP. Moreover, in the top 11 schemes, which includes the public distribution system, the urea subsidy and the MGNREGS account for about 50 per cent of the total allocation in the Budget. Generation of funds remain a major obstacle. There are divided opinions on this, with some suggesting that it can comfortably be absorbed in the budget by ending the non-merit subsidies and tax exemptions that mostly benefit the rich.



*The second reason is implementation. A major failure of the plethora of schemes rolled out in the country has always been that while they have been good in intent, they have fallen prey to various implementational challenges. The very first challenge for the UBI, therefore, as feared by many economists and the ESI too, is the risk that instead of being a replacement to the current anti-poverty and anti-social programmes, it would land up as an add-on to the existing subsidy-based welfare schemes. This would then make it unaffordable fiscally. While noted economists have argued for a phased out implementation of the UBI, the Government also needs to ensure adequate machinery for its implementation. Centre-State negotiation with regards to the sharing of funds for UBI will hold key.*

*The third reason is technological. Precisely, the very premise of the UBI is technology in the sense of widespread banking and connectivity, as well as digital infrastructure to ensure that money is easily transferred the beneficiaries Jan Dhan bank accounts. This requires not only extensive coverage, but also standardised facilities.*

*The fourth reason is political feasibility. While the Government is more than willing to explore the UBI idea, whether our across-the-board politicians express the same open-mindedness, is doubtful. This, especially since major financing schemes involve elimination of existing benefits to some powerful interest groups.*

*The UBI is noble in intent. While we are talking about it, there are also other countries who have been trying it out. Among the developed countries, Switzerland became the first country to vote on the UBI, and recently rejected it through a referendum. On the other hand, in Finland, the UBI is being explored as a pilot project. The 2,000 unemployed people of the country are beneficiaries to 560 euros (or \$480) each month for two years. The Finnish Government is more than confident that this step will improve the quality of life, reduce employment and create more jobs.*

*India, therefore, is in a unique position. It has its own experts. It can learn from both the churning happening in this country and also from the experience of other countries. The choice is before our policymakers: If they want to adopt the UBI, they will have to manage the bottlenecks; If they can effectively revamp the subsidy sector, schemes, check leakages etc., the need for a UBI may not even arise.*

*(The writer is a journalist with an interest in social welfare issues)*



# Reports

## VIF Delegation in Washington DC

*A delegation from the VIF comprising Director, General NC Vij, Lt Gen Ravi Sawhney, Ambassador Kanwal Sibal, Lt Gen Davinder Kumar and Dr. Harinder Sekhon visited Washington DC from 28 February 2017 to 04 March 2017 for the annual 'Quad Plus Dialogue'. This opportunity was used by the VIF to hold other important meetings with the US establishment and officials.*



*The VIF delegation participated in various high-level meetings in Washington DC and met with Senators, Congressmen, senior US government officials and well-known members of the Indian Diaspora. The delegation was hosted to dinner by the Indian Embassy to which leading members of the strategic community in Washington DC were also invited for an interaction with the visiting delegation. At the US Capitol, the VIF team had exclusive meetings with Congressman Ed Royce, Chairman of the United States House Committee on Foreign Affairs; Congressman George Holding, who is Co-Chair of the House India Caucus and a Representative for North Carolina's 2nd Congressional District, House Democratic Whip and a widely respected voice on foreign policy and international affairs, Representative Steny Hoyer, Senator Sheldon Whitehouse, from Rhode Island, who is an ardent supporter of important national issues like education, healthcare and social security reform, international trade and economic relations.*



*The visiting group also interacted with about a dozen Senators and Congressmen at an evening reception at the US Capitol that was addressed by Chairman Ed Royce, a founding member of the Congressional Caucus on India and Indian Americans. He touched upon various issues of concern in South Asia and spoke about India's difficult neighbourhood. Chairman Royce mentioned that Pakistan needs to be serious about closing down 600 Deobandi madrassas in the country, underlining that there is a prevailing sentiment in the US Congress and the new Trump administration that such schools are breeding ground for terrorists. He said, "Pakistan needs to crackdown on groups like the LeT, close down those campuses as well. Pakistan needs to understand that if they are not going to bring perpetrators of the terrorist attacks to justice, they should turn them over to The Hague so that they can be tried in international tribunals and justice can be served." said the Chairman of powerful House Foreign Relations Committee.*



Chairman Royce also said that the Congress and the new Administration is focused on some new issues. "One is that concept of USD 500 billion in trade between India and the US. That is where we are trying to push the policies...So we need an effective bilateral trade agreement treaty with India. We are pushing to liberalise trade further." He also acknowledged the educational and technical skills of Indian Americans and the positive contribution they have made both to the United States and India.



From February 28-March 2, 2017, The Heritage Foundation's Asian Studies Center held the fourth and final in a series of annual 'Quad-Plus Dialogues' focused on common strategic interests among the 'Quad' countries, U.S., Japan, India, and Australia. The goal of this project has been the revitalization of the Quadrilateral Strategic Dialogue. Topics discussed this year included 'Quad' interests in the South China Sea, Afghanistan-Pakistan, the challenge of Extremism in the Internet sphere, Intelligence Cooperation, and Space Capabilities. There was agreement amongst the panelists and other experts that while there is a congruence of interest among the Quad countries about the challenges that confront us in the Asia-Pacific, the real challenge for India and the United States is whether China will play a more positive, cooperative and responsible role.



Another important bilateral engagement was a Round Table discussion on US-India Defence Relations with the Defence Acquisitions and India Rapid Action Team (DTTI) at the Pentagon. US administration representatives from the State Department, US National Security Council and Industry attended this discussion that was hosted by the US India Business Council.

Some of the salient points that emerged from this meeting are that over the last two and a half years, India's defence relationship with US has been on an all-time high. India's designation as a "Major Defence Partner" of the United States and the signing of the bilateral Logistics Exchange Memorandum of Agreement (LEMOA) are positive signs and it was hoped that this momentum will continue. It is heartening that the US Administration has institutionalized the DTTI mechanism recently and we look forward to many joint projects getting implemented through the DTTI framework with active participation of Private Sector from both the countries. It however remains to be seen if the scope of DTTI will be expanded to include more projects involving private sector companies, especially the 'Small and Medium Enterprises' (SME). Special efforts need to be taken to connect SMEs of US and India for technology tie-up and collaboration for mutual benefit.

India's defence market is attractive and with enhanced FDI limit, even up to 100%; by giving priority in procurement for those companies having defence manufacturing base in India, the Government of India is providing the most conducive policy environment for foreign Original Equipment Manufacturers (OEM) to invest in India for co-development and manufacture for the Indian defence market and for the world in partnership with the Indian Industry. But a lot of work still needs to be done and core technology transfer will continue to remain a challenge.



*On March 3 the Hudson Institute's South Asia Center hosted a discussion on US-India bilateral relations, which aimed at addressing the ways in which the US-India relationship can be sustained, and ultimately advanced to new levels. The panelists concluded that despite hiccups, economic development within India is solid and on an upward trajectory. The stated goal of increasing bilateral trade to \$500 billion in the next decade reveals that there is significant untapped potential in India from which both countries can benefit.*



*Security topics that were discussed included increased security cooperation between India and the United States in the Indian Ocean, and between India, the United States and Japan in the Pacific Ocean. The potential for increased security cooperation in both the Middle East and Central Asia, between the United States and India was also discussed. The economic topics that were discussed included looking at possible issues that currently impede trade ties between India and the United States and policies that could help remedy those issues.*

*On the whole, the panelists agreed that there are various areas where the US and India should cooperate. But the Indian and American speakers presented different visions of how the international community should engage in India's volatile neighborhood to bring stability. Although presenting different tactical visions of the security situations within this region, all panelists concurred that if Afghanistan implodes, "it won't only be a problem for the region, but it will be a problem for the globe."*

*An important takeaway from the visit was that while US-India relations are on a stable trajectory upwards, there remain certain carry-overs from the past that hinder the relationship from reaching the next levels. The US and India however continue to engage in an open dialogue to address these issues and this has the potential to make this the most significant partnership of the 21st century.*



## National Workshop on Doubling Farmers' Income through Scaling-up

*In sync with Prime Minister Shri Narendra Modi's vision of doubling farmers' income by 2022 when the country completes its 75 years of independence, the VIF, in collaboration with ICRISAT (International Crops Research Institute for the Semi-Arid Tropics) and J. Farms, assembled a two-day national workshop on 'Doubling Farmers' Income through Scaling up' on March 15-16, 2017. Stakeholders from diverse backgrounds – key officials from concerned ministries, agriculture scientists, officials from meteorological department, academic institutions, and farmers' representatives, among others, engaged in comprehensive deliberations over two days and eight sessions, aimed at identifying challenges, opportunities, innovations, enabling policies, institutions and strategy for increasing the productivity and doubling the farmers' income in different agro-eco regions of India. Besides developing a framework for implementation of strategies, evaluation and monitoring etc. the workshop also focused on bringing out a blue print for establishing a pilot in Vidarbha region in Maharashtra which could be subsequently scaled up to other agro-eco regions of India.*



The workshop was played out in the following order:

### *Opening Session:*

*Welcome Remarks - Gen NC Vij, Director, VIF*

*Scene Setting – Mr Dhirendra Singh, EC, VIF*

*Objectives of the Workshop and Expected Outputs - Dr SP Wani, RPD-Asia, ICRISAT*

*Inaugural Address - Dr David Bergvinson, DG, ICRISAT*

*Special Address - Dr T Mohapatra, DG, ICAR*

*Challenges & Opportunities for Mechanization - Mr TR Kesavan, COO, TAFE*

*Keynote Address - Dr Hameed Nuru, Country Director, WFP*

*Special Address - Sri Shobhana K Pattanayak, Secy, Agriculture*

*Chief Guest Address - Mr. Vijai Kapoor, Former Lt Governor, Delhi*

*Vote of Thanks Dr AK Padhee, Director - Bus&Con Relations, Delhi, ICRISAT*

### *Technical Session I: Climate Change and its Impact on Agriculture*

*Chair: Dr AK Singh*

*Role of Agromet Advisory Services in Managing Risk under Changing Climate - Dr SD Attri, IMD*

*Land Use Planning for Sustainable Management of Resources in Vidarbha Region, Maharashtra - Dr SK Singh, NBSS & LUP*

*Sustainable Development of Farmholders through Integrated Farming and Mechanization - Dr K Srinivasan, TAFE*

*Agro-forestry for Promoting Diversifying Livelihoods in Dryland Agriculture - Dr Mohd Osman, CRIDA*



## *Technical Session II: Challenges and Opportunities for Doubling the Farmers Income*

*Chair: Dr SK Singh*

*Enabling Policies for Unlocking the Potential of Dryland Agriculture in India -Dr PK Joshi, IFPRI*

*Challenges and Opportunities for Unlocking the Potential of Dryland Agriculture - Dr SP Wani, ICRISAT*

*Strategies for Developing Farmers Income in Central India - Dr AK Singh, RVSKVV*

*Strategy for Doubling the Farmers Income in Maharashtra - Dr KP Viswanatha, MPKV*

*Integrated Watershed Management Program Opportunities for Improving Dryland Agriculture – Dr CP Reddy, DepComm, DOLR*

## *Technical Session III: Enabling Institutions and Policies for Desired Impact*

*Chair: Dr Vilas Tonapi*

*Tata Trusts Initiatives on Agriculture: Strategic Directions into the Future – Mr Abhay Gandhe, SRTI*

*Linking Farmers with Market through FPOs: Challenges and Opportunities – Dr KV Raju, ICRISAT*

*Pathway for Pulses Self-sufficiency in India – Dr NP Singh, IIPR*

*Role of Nutri Cereals in Sustainable Development of Vidarbha - Dr Vilas Tonapi, IIMR*

*Use of Technologies for Harnessing the Potential of Agriculture – Mr Anirban Ghosh, M & M*



## *Technical Session IV: Building Climate Resilient Agriculture through Integrated Watershed Management*

*Chair: Dr NP Singh*

*Sustainable Rainfed Agriculture Initiatives of Government of India - Sri Ashok Dalwai, IAS*

*Watersheds for Unlocking the Potential of Dryland Agriculture: Need for Convergence-Dr CS Kedar, Retd IAS, JSW*

*Innovations in Water Pressure and Water Budget – Dr Hariharan, ZED/Mr T Pradeep, ZED*

*Challenges and Opportunities for Dryland Agriculture in Maharashtra - Dr DP Waskar, VNMKV*

## *Technical Session V: Strategy for Transforming Agriculture in Vidarbha, Maharashtra*

*Chair: Sri Ashok Dalwai, IAS*

*National Food Security Mission: An Overview - Dr B Rajendra, IAS*

*Farm Mechanization and Post-harvest Technologies -Dr KK Singh, CIAE*

*Farm Mechanization - Mr N Subramanian, TAFE*

*Financing and Financial Inclusion - Mr Sunil Prabhune, L&T Financial Services*

*Jain Irrigation -Mr SP Jadhav, Jain Irrigation*

## *Technical Session VI: Brainstorming for Strategy and Blue Print Session – Parallel Sessions*

*Brainstorming for Strategy and Blue Print Session – Parallel Sessions*



*Group 1 Facilitators*

*Challenges, Opportunities and Objectives for the Initiative - Dr KV Raju, ICRISAT*

*Group 2*

*Strategies and Approaches for Transforming Agriculture in Vidarbha, Maharashtra - Dr SK Singh, NBSS & LUP*

*Group 3*

*Building Partnerships for achieving the Impact in Vidarbha, Maharashtra - Mr Ganesh Neelam, SRTI*

*Group 4*

*Monitoring, Evaluation and Key performance Indicators for the Specified Activities – NABARD*

*Concluding Session:*

*Chair: Mr Dhirendra Singh; Co-Chair: Dr SP Wani*

*Presentation by Group 1*

*Presentation by Group 2*

*Presentation by Group 3*

*Presentation by Group 4*

*Concluding Remarks*

*Vote of Thanks*



## About VIF

*Vivekananda International Foundation is a non-partisan institute for dialogue and conflict resolution from a nationalist perspective. Some of India's leading expert in the fields of security, military, diplomacy, governance, etc have got together under the institute's aegis to generate ideas and stimulate action for greater national security and prosperity, independently funded, VIF is not aligned to any political party or business house.*

### *Vivekananda International Foundation*

3, San Martin Marg, Chanakyapuri, New Delhi - 110021

Phone No: +91-011-24121764, +91-011-24106698

Fax No: +91-011-43115450

E-mail: [info@vifindia.org](mailto:info@vifindia.org)

[www.vifindia.org](http://www.vifindia.org)

 [@vifindia](https://twitter.com/vifindia)

