



Policies & Perspectives



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Reforms that the Jaundiced View Cannot See

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27 July 2017

There are two ways for critics of the Modi Government to dismiss any talk of the regime's reform-driven agenda. The first is a complete refusal to accept that such an agenda even exists. This is what primarily the Congress and a few others in the opposition have been engaged in. They too have found two methods to pursue their criticism. The first is to debunk the efficacy of certain Government's schemes, and the second is to claim that a few of the reforms were actually old wine in new bottle — in other words, old reform measures initiated by the previous government were now being taken forward by the present dispensation by giving it a new name and shape. In the latter category, the Opposition has placed reform steps such as the Goods and Services Tax (GST) and the Direct Benefit Transfer (DBT) regimes. And in the former, they refer to those such as Skill India and Make in India, which, in their opinion, are noteworthy only for the pomp and show with which they had been launched rather than for any tangible benefit — that have not come.

*The second route to run down the reform measures has been found by sections of the international media (which are still caught in the time warp of 2002 and the Gujarat communal riots when Narendra Modi was the State's Chief Minister). These publications reluctantly acknowledge certain welcome steps the Government has taken, but are quick to add the caveat that they are half-measures and more administrative than reformist in nature. And, even while discussing reforms, the articles cannot resist the temptation of quietly slipping in the 'Hindu nationalist agenda' reference — by way of condemnation. These West-based publications, by and large, are as biased against the regime in New Delhi as they are against anyone that has successfully defied the established template; a good instance is the venom they keep pouring on the Trump Administration. For our purpose at hand, let us take the example of a recent report which appeared in the much-regarded *The Economist*.*

The weekly magazine published a 'leader' piece accompanied by an article on Prime Minister Modi's performance so far. The intent is clear from the leader article's headline, the strap line and the first few lines, leading to the denouement in the very first sentence of the second paragraph. The heading reads, "India's prime minister is not as much of a reformer as he seems"; the supporting strap line says, "But he is more of a nationalist firebrand". The tone is thus set, and objectivity is bid goodbye at the outset.

Then comes the first line of the opening paragraph: "When Narendra Modi became prime minister of India in 2014, opinion was divided as to whether he was a Hindu zealot disguised as an economic reformer, or the other way round." The leader writer does not educate its readers on which section of society was this divided opinion entertained by, because a large part of the Indian voters overwhelmingly backed him as the prime ministerial candidate and voted for his party, and for him as the designated Prime Ministerial candidate. Modi did not run the campaign and a Hindu zealot nor did he ask for votes in the name of religion. On the contrary, he kept hammering away at the development agenda, on which he came to power with an



unprecedented majority. So, at least this large section of the population was not anguished over having to decide on whether he was a religious zealot or a reformer. Perhaps, the leader writer, like many journalists and contributors to Western publications, was influenced by the din created by a minuscule section of the intelligentsia in the country, which goes by the name of Left-liberal secularists, and took it to be public opinion.

Having decided to adopt a short 'balanced' route before launching into a tirade, the leader article claims that in the three years of this Government, the matter of what Modi really is, appears to have been "settled". And how? The writer insists that "yes, Mr. Modi has pandered to religious sentiments at times, most notably by appointing a rabble-rousing Hindu prelate as chief minister of India's most populous state, Uttar Pradesh"; but he has "also presided over an acceleration in economic growth, from 6.4 per cent in 2013 to a high of 7.9 per cent in 2015... He has pushed through reforms that had stalled for years, including an overhaul of bankruptcy law and the adoption of a nationwide one tax regime (GST) to replace a confusing array of local and national levies". Here too, the leader writer's prejudice and lack of understanding of the Indian political system is on display. The verdict about pandering to religious sentiments is made by citing the creation of "onerous new rules on purchase of cattle, in deference to Hindus' severances for cows". Besides, the leader piece adds, Uttar Pradesh Chief Minister Yogi Adityanath "is under investigation for inciting religious hatred and rioting, among other offences". The leader writer appears to forget that many States in India have legislations that ban the slaughter of cows — by the way, this is very different from the consumption of beef, on which there is no stay. Had the writer read through the new rules on cattle sale and purchase, he (or she) would have discovered that they do not speak about a ban on eating habits but merely seek to regulate cattle trade.

The urgency by the leader writer to insert observations that can fit the magazine's template about Prime Minister Modi and his regime, leads to not just hastily-derived conclusions but also ridiculous ones. The Chief Minister of Uttar Pradesh presides over a population that has a sizeable number of Muslims — and none has had any real complaint with the "Hindu prelate" so far. On the contrary, people from the minority community, especially women over demands for the abolishment of triple-divorce proceedings, have been flocking to him with grievances in the confidence that he would address them effectively. Such confidence had been missing during the tenures of 'secular' Chief Ministers in the past. The Economist seems to have ignored the fact that Yogi Adityanath had been an elected Member of the Lok Sabha for more than a decade, and while he did raise in the House, issues concerning the Hindu community, for all his allegedly anti-Muslim rabble-rousing, there wasn't a single instance of serious communal unrest in his constituency of Gorakhpur. It's unlikely that The Economist leader writer had ever visited Gorakhpur to understand the pulse of the people. As for allegations of inciting communal riots etc., they have been raised on multiple occasions before, and some are before the courts to decide. We must leave it at that.

More funny examples are given by the leader article to buttress its claim of a communal Government in power. It says, "Hindu nationalist thugs intimidate those who chide the government for straying



from India's secular tradition, or who advocate a less repressive approach to protests in Kashmir, India's only state with a Muslim majority". It is unclear which secular tradition has been strayed from; equally less clear is the allegation of repressive approach in Kashmir. It is obvious to all with a fair bit of impartiality existent in their mind that the Kashmir issue has turned into a battle for the country's sovereignty and integrity. Besides, the secular tradition which The Economist article so passionately talks about, is under threat in Kashmir, with Islamic zealots, including terrorists from across the border, seeking to establish a caliphate sort of governance. But The Economist knows to pick and choose religious zealotry.

We must return to the trick, to which reference we began with: Juxtaposing the 'Hindu-driven mindset' allegation with governance reforms. This parallel approach would have been understandable, had the reform measures been a reflection of a Hindu fundamentalist's mind. But even The Economist, for all its imaginative flights, could not draw a linkage between Hindu zealotry and the GST or the DBT or the Jan Dhan Yojana or Make in India or Skill India or Digital India or the scheme to provide free cooking gas cylinders to millions of the needy across the country or the dismantling of the dated Planning Commission of India. Therefore, having satisfied its instincts by raving about secularism and the rest, the magazine leader piece (and the more fuller article) goes on to pronounce that the otherwise presentable economic figures 'are deceiving". It is on this downplaying of the Government's performance in reform-driving that we must keep our attention focused. The leader article says that GST, 'although welcome, is unnecessarily complicated and bureaucratic, greatly reducing its efficiency". But it does not mention that the GST regime is a product of not just the federal Government but of a host of political parties, including those in the opposition. The GST law was passed by Parliament and State Governments, including those ruled by non-BJP/non-ruling alliance parties. It is, therefore, strange of the leader writer to blame the Union Government for 'complications' in the GST.

The Economist ridicules the demonetisation decision, saying it turned "counterproductive, hamstrung legitimate businesses without doing much harm to illicit ones". Demonetisation was certainly not electorally counterproductive for Prime Minister Modi and his party, though it inconvenienced the public hugely. On the contrary, it turned counterproductive for those in the Opposition who used it to attack the Modi regime. Demonetisation did hamstring legitimate businesses and dragged down economic growth, but that had been expected. Besides, economists around the world were near unanimous on the opinion that the medium-term to long-term benefits of demonetisation to the Indian economy would be most positive.

The leader writer would have been extremely glad had the Modi regime launched on a selling spree: Sell off poorly performing nationalised banks to the private sector; sell off loss-making public enterprises; sell of this and sell of that... so long as it belonged to the public sector. There is no need to adopt the Marxist approach, but then selling off is not always the solution — though at times it is. In any case, those who had observed Modi as Chief Minister, would have realised that he is not the kind to engage in knee-jerk responses to struggling public enterprises. He prefers a revamp of their functioning and allows them time to turn the corner. If that doesn't happen, then they come under the hammer.



*In their zeal to run down the Government, or in obstinate refusal to acknowledge the gains, critics (The Economist included) have missed out on a host of game-changing initiatives the Modi regime has taken. Let's take a few of these. The MyGov app came in July 2014, with an aim to involve the people in governance through their suggestions and criticisms. It is also a platform for the Government to showcase its achievements and seek feedback. According to journalist-author Uday Mahurkar's book, *Marching with a Billion*, the app has been visited by over 11 crore people so far (that figure will have gone up since the book was written some months ago); and nearly one-tenth of the country's population has visited the various videos posted on the website by the Central ministries. The suggestion to utilise post offices as banks too, came through this site from a citizen. Another citizen suggested that the Aadhaar card to a digital health card of citizens. This would reduce paperwork and help in medical insurance claims — both for insurance firms and the recipient of the insured amount. NITI Aayog, which has replaced the Planning Commission of India, is actively working on the suggestion. Seemingly small but significant ideas have been shared on MyGov, according to Mahurkar. One citizen suggested that gangmen working on railway tracks be provided with light kits to enable ease and efficiency in their performance; presently they move about with heavy loads that adversely impacts their mobility and alacrity in responding to situations. The railways Ministry is working on designing such kits. There have been other measures that escape the attention of naysayers. The creation of the electronic National Agriculture Market (e-NAM) has revolutionised the sale and purchase of agricultural products. Although in its early stages, the Agricultural Produce Market Committees (APMC) linked to the e-NAM had conducted business worth Rs 800 crore by the beginning of 2017. As more and more of the APMCs get added to the system, this figure is bound to shoot up multi-fold, bringing gains to the farmers and consumers alike.*

Away from the media glare — and those of the likes of The Economist, apparently — is the turnaround story of India's ports in the last three years. Mahurkar offers the following figures: Before Modi assumed power, ships had to wait outside Kandla port for up to 10 days, resulting in massive demurrage charges to the importer. The waiting period has now been cut down to just two days, thanks to streamlining of the port's functioning under the gaze of Union Minister concerned, Nitin Gadkari. Through the use of modern management techniques and technology, the 12 major ports under the Ministry of Shipping have begun to perform miraculously well. It needs no addition that this turnaround has added to the overall economic performance of the nation. The ports have registered a nearly seven per cent rise in cargo handling in 2016-17, as against the private sector's improvement by just under four per cent. This is as good an example as any of how Government run ports can do well, given the right environment. There are, of course, bottlenecks still in reforming governance to the extent that it needs to. But what has been achieved, and the roadmap for what more needs to be done, cannot be ignored, nor faulted. An unbiased analysis of the Modi Government's reform-drive cannot be fixated on 'dramatics' — incremental methods have their merit, too. Besides, political compulsions have to be factored in as well. For instance, there has been criticism that the Modi regime has failed to revamp labour laws. Labour reforms are tricky at best, and so the Centre has opted for a safer but no less effective route: Asking State Governments to do the needful and assuring them of the center's help



wherever needed. Rajasthan has done commendable work in this area.

Finally, it needs to be mentioned that reforms in many sectors are dependent on States, since those areas fall in the State List. That's where federal competitiveness comes in. States that are willing to change with the times will attract more investment; those which are rooted to archaic socialist-communist norms, will lag behind. It's not a coincidence that the likes of Gujarat, Maharashtra, Andhra Pradesh and Tamil Nadu have gone ahead while those of West Bengal and Kerala have over the decades become the least attractive investment destinations.

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About VIF

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