

# WILL MODI TRANSFORM INDIA?

## THE NEW GOVERNMENT IN NEW DELHI

*Narendra Modi's stunning electoral victory has given his Bharatiya Janta Party an absolute majority in the Lok Sabha (Lower House of Parliament). Rising above the controversies that have surrounded him since he became Chief Minister of Gujarat in 2002, the new Indian Prime Minister has immediately embarked on an ambitious programme of economic reforms at home and of active diplomacy and cultural projection abroad. With his background and reputation as a Hindu nationalist, Modi appears to be striving for a careful mix of economic liberalisation and socially inclusive provisions.*

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**N**arendra Modi delivered a historic victory to the *Bharatiya Janata Party* (BJP) and received a clear mandate to form the next Government of India. With 282 seats in the next *Lok Sabha* (Lower House of Parliament), the best performance ever for the BJP, he does not even need the votes of his coalition partners of the National Democratic Alliance to rule. With his allies, Modi has an absolute majority of 339 seats in the 543 strong parliament. His main opponent, the Congress Party, has been reduced to a dismal 44 seats, losing 162 from the previous result in 2009. After years of being reviled as the “butcher” of Gujarat by the media and political establishment (as Mamata Banerjee, the Chief Minister of West Bengal described him), being kept

in political quarantine by most Western governments and fiercely opposed by some of the leadership of his own party, the achievements of the former tea seller from Vadodara are remarkable.

How did this charismatic politician, under siege in his regional stronghold, come to conquer the political citadel of Delhi, against all odds? The obvious answer is because the rank and file of the BJP follow Modi, a large number of voters seem to love him and even those that do not identify with the ideological tenets of the BJP and the social values of the *Sangh Parivar* (group of Hindu nationalist organisations) trust him to deliver effective governance and economic development, but there is certainly more than that. The election was the beginning of a new political cycle in India and Modi the politician who tapped into the demand for change. Traditional issues that have so far determined vote bank alignments along dividing caste lines and religious affiliations have shifted, pushed by the new realities of accelerated urbanisation, the ascendance of a new middle class and the coming of age of a wave of young aspirational Indians.

The fact that Modi provokes passionate reactions from supporters and detractors alike became evident after he made clear his intentions of being his party's prime ministerial candidate.

All sorts of arguments were used to demonstrate that he was either a dangerous Hindu extremist who would plunge the country into a wave of sectarian violence or the only one who could save India from its present situation of economic decline and political frustration. Beyond the slugfest of Indian politics, even respected intellectuals such as the

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economist Jagdish Bhagwati and Nobel Laureate Amartya Sen debated the virtues of Modi's economic policies and the fear that minorities would face increasing discrimination under his rule. It was quite revealing that even if Sen shared that fear, he declared in a candid interview published by the *Times of India* that many Muslims did not and some even actively support Modi.

Western media and politicians looked on with a mixture of puzzled surprise and uneasiness at the wave of support generated across the country. Since most European Union countries, with the exception of Denmark and

Sweden had boycotted contact with him for more than a decade, few have inside knowledge of who Modi really is. Even a traditionally coolheaded observer like *The Economist* (“Can anyone Stop Modi”, 5 April 2014) remained anchored in the old debate about the need to isolate the Gujarati leader. It engaged in a paradoxical intellectual loop to justify why Modi should not be allowed to become the next Prime Minister of India despite the fact that he is one of the rare honest Indian politicians, an effective administrator and a convinced economic reformer, according to the editor himself. The reason being that as Modi was guilty of the Gujarat riots and refused to apologise for them, he would plunge the country into communal discord.

There is ample evidence of the proclivity of some elements of the *Hindutva* movement to use violence to achieve their agenda of purifying Indian society of all corrupting influences that do not fit their view of Hindu values. Campaigns against scholars like Wendy Doniger holding controversial and arguably disrespectful views on the Hindu religion, serve as reminders of the influence of those groups. So far, there is no evidence that Modi is aligned with the radical line, while in fact some of the initiatives of the Gujarat government, such as the “Mosque to Temple” programme to promote cultural tourism, point in the opposite direction. Nevertheless, many secular minded intellectuals suspect Modi of being an autocrat with a secret agenda to promote the *Rashtriya Swayamsevak Sangh’s* (RSS) social values and impose suffocating cultural control. Another reason of concern, according to his critics, is that he might turn India into an aggressive regional bully looking for a fight with neighbours like Pakistan or China. The last report of a special commission set up by the Supreme Court of India may have shifted the terms of the debate towards Modi’s policy proposals from his personal character, but the deliberations have not abated.

It is impossible to analyse Modi’s political significance and future plans for India without a pronouncement on the infamous riots of 2002. This article now summarises the reasons for the Supreme Court (a respected institution above the subjective prejudices of politically motivated accusations) giving Modi a clean chit. The fact that the police did not intervene in the initial stages of the riots, allowed the massacres and the evidence that radical *Hindutva* organisations such as the *Vishwa Hindu Parishad* (VHP) and the *Bajrang Dal* instigated the violence, have been proven. Modi’s responsibility in the events and allegations that he engineered the whole plan or gave instructions to the police not to intervene, have not been substantiated by any of the investigations. The Supreme Court

report also shows that military troops were deployed as soon as possible to control the violence, a decision taken by both the state government and the centre. At deployment shoot on sight orders were issued resulting in the deaths of many rioters and a quick end to the killings. It is also undeniable that after order was restored and Modi won the elections, those in the state's home ministry connected with the VHP, like the Minister of State Gordhan Zadaphia, a close associate of the VHP's Pravin Togadia, were removed from their posts. A significant number of the organisers of the worst massacres were brought to trial and condemned, something unprecedented in most other communal riot cases. Modi's refusal to protect or cover up the crimes earned him the open enmity of Togadia and the more radical fringes of the *Hindutva* movement. Ashok Singhal also of the VHP publically compared Modi with Mahmud of Ghazni, the *bête noire* of Hindus, while others challenged his *Hindutva* credentials. Moreover, Modi made a public announcement disapproving the aggressive and intolerant declarations of his party's radical elements (Giriraj Singh, Ramdas Kadam and especially the fiery Togadia), designed to force a more radical agenda on the BJP's programme. He firmly disavowed statements such as Togadia's "we should have the courage to intimidate the Muslims by taking the law into our own hands". Modi also declared that he would apply the Constitution of India and not RSS ideology and that his government would have only one religion, that of "India first". He also stressed that he has always assumed moral responsibility for the riots of 2002.

Why did Modi refuse to apologise for the Godhra riots as a way to clear his reputation? Instead, he used the outrage at the riots to rally public opinion behind him, as Gujaratis felt unfairly demonised as a society for the violence against the Muslims. Andy Marino (*Narendra Modi; A Political Biography*, New Delhi: HarperCollins, 2014) offers a plausible explanation in his recent biography, that comes from personal conversations with Modi. First Modi believes that apologising would mean acknowledging guilt, making him politically vulnerable. Second, attacks of the "secular" establishment were his best protection against the radical elements of the *Hindutva* movement, who would not challenge him in

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public because that would mean siding with the “enemy”. The fact remains that the influence of extremist elements and Togadia himself has been greatly reduced in Gujarat and no communal riots have occurred in the state since 2002. The great surprise in the last assembly elections was that nearly 30 per cent of the Muslim vote went to Modi, giving him his third consecutive absolute majority despite a rebellion in his own party. Representatives of several Islamic organisations have praised Modi when they compare the situation of Muslims in other states where dozens of riots have taken place in the last ten years, unlike in Gujarat.

The transparency of Indian democracy is one of its most remarkable achievements, sustained in legal instruments such as the Constitution of India and the *Right to Information Act* as well as the civic courage of activists, journalists, judges, etc. Everything is debated, sometimes in a virulent manner and nobody is free from criticism. Unfortunately, there is also a violent side to Indian politics and few can claim the high moral ground of never having made deals with tainted politicians. The recent riots in Assam and Uttar Pradesh happened under the watch of self-declared secular parties, partners of the Congress. Records of some leaders in the secular front show the active use of political violence. During the election campaign, Rahul Gandhi himself opened Pandora’s Box of the Gujarat riots of 2002, which were then compared to the pogrom against the Sikhs in 1984, after the assassination of Indira Gandhi when thousands of Sikhs were killed while the police was conspicuously absent. The debate about the Gujarat riots has had some positive results by making politicians more accountable of their acts of omission or commission and even Modi recognised moral responsibility for what happened. If a lesson is to be learned it is that the violence cannot be seen as a unique tragedy in the recent history of the country nor can it be associated with just one man in the collective memory of India.

Despite passionate debates on minority rights, the important elements in the election campaign were not the issues of the communal nature of BJP candidates or the fears of the Muslim minority of suffering further discrimination under Modi. Rather, as MJ Akbar, the editor of the *Sunday Guardian* and one of the prominent Muslims supporting Modi stated, it is the ability to provide effective leadership, revive the economy and create jobs that prompted Indian citizens, Muslim or not, to make their choice. In his view, economic development and access to better education are the ways for Muslims to overcome discrimination, not government doles and subsidies. Many of the 815 million voters that cast votes in unprecedented numbers this year were under 30 years of age (50 per

cent of the total population is under 30) and frustrated by the lack of jobs, nonexistent public services and rampant corruption. The urban middle class and youth feeling let down by the administrative record of the United Progressive Alliance II, gave the Congress a scathing punishment at the ballot box.

The extraordinary success of Sanjaya Baru's book *The Accidental Prime Minister* (New Delhi: Penguin, 2014), with five editions in the first week of its release, underlines to what extent the public perception of self-inflicted government paralysis was the nemesis of the Congress. Populist schemes like the *Mahatma Gandhi National Rural Employment Guarantee Act* and the *Food Security Act* did not do the trick this time and

even *dalits* and other backward castes deserted the Grand Old Indian Party, breaking the taboo of entering alliances with Modi. While not having made an issue of it, when attacked Modi is always quick to remind his opponents that he belongs to a backward caste and so better represents the aspirations of Indian society than the privileged Delhi political establishment. The jibe of Mani Shankar Aiyar of the Congress Party about a former *chaiwallah* (tea seller) lacking the credentials to run

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the country showed the disdain of the political elite for this outsider who dared to question the way things were being done in the *darbar*. The fundamental question is not if Modi has a plan to transform India, but whether he will be able to implement it in the present economic circumstances and with the limited bureaucratic structures at his disposal. In addition, how deep will the reforms he plans to execute go and to what extent will his party back them.

With the clear mandate to lead India on the road of development, the key question is what will be the focus of Modi's policies in the initial stages. Some of his economic and political advisors have announced specific policy lines that throw light on the plans of the government. Modi is believed to have a close circle of highly qualified economic experts (Bhagwati, Bibek Debroy and Arvind Panagariya) and experienced bureaucrats who may be tasked with implementing a new wave of reforms. In economics, Modi already has a known 12-year track

record in Gujarat. He is known to favour free market business friendly policies, having put them to use in his state. Debroy, in his book *Gujarat Governance for Growth and Development* (New Delhi: Academic Foundation, 2013), considers Gujarat's growth rate to have been two points higher than the national average in the period 2004–10, as the private sector was allowed to contribute to capital formation and most of Modi's government capital expenditure was developmental, with social services accounting for 55 per cent of it.

Some critics, particularly of the Left, point at unfavourable social indicators in some statistics to justify their rejection of "Modinomics" as some journalists call the Gujarat development model. Others have tried to prop up other development alternatives, such as the Bihar model—one of India's more backward and violent states, which made dramatic improvements under former Chief Minister Nitish Kumar. However, comparing Bihar with Gujarat is quite farfetched, taking into account the intensive industrial investment and infrastructure development that have taken place under Modi's government, but the argument still has some traction in the anti-Modi camp. The old saying about lies, half-truths and statistics is handy in this debate, since there are wild variations in the figures used by admirers and detractors of the Gujarat model. Bhagwati, a vocal supporter declared that Modi has a vision of where he wants to take the country and that the Gujarat model is not only about creating prosperity but also about using that wealth to increase social spending. The distinguished professor from Columbia University has expressed his willingness to contribute again in influencing the Indian economy to move forward and prosper. He was an advisor of Prime Minister P V Narasimha Rao and Finance Minister Manmohan Singh in the 1990s.

Aroun Shourie, a *Rajya Sabha* (Upper House of Parliament) member and former minister of communications, information technology and disinvestment, in a recent article questioned the new trend to wait for Modi to fix miraculously all the problems of the country. The new government will have only six weeks to pass the budget with a roadmap of the reforms it intends to implement. The fear of change and the resistance of entrenched interests will be as difficult obstacles, as the objective problems that will have to be overcome. One must remember that the BJP as a whole is not an advocate of liberal reforms, as was underlined by their opposition to foreign direct investment in the retail sector. The accusation that Modi will just accelerate the shift of policies in favour of the very rich and impose crony capitalism on a large-scale is the equivalent in the economic field of the communal violence scare in the sociopolitical. That was the line used by Arvind Kejriwal of the *Aam Admi Party* to chip at Modi's shining armour as an economic champion.

Does the Gujarat model breed inequality and benefit only the very rich? Political opponents keep throwing statistics at each other to prove their point. However, Modi received the majority of votes from the people, as they believe he will engender more economic opportunities and prosperity. Reports of the previous government, the same one that put in place populist schemes such as the *Food Security Bill*, show that the cost of storing and distributing grain is much higher than the actual value of the product itself and an average of 60 per cent of the food never reaches the targeted recipients, being siphoned away or rotten. Significantly, the BJP had supported the bill in parliament, as it feared being labelled anti-poor. Facing the reality of the effects of the system of subsidies and populist schemes will pose a serious challenge to the new government, and so will the fiscal and current account deficits, as the reality of the burden of extreme poverty in a large section of India's population will demand more effective solutions.

Another issue that has raised fears among foreign observers is the perception that Modi will take a hard line with India's neighbours. The BJP's criticism of the conciliatory policies of Manmohan Singh towards Pakistan and the demands for a more belligerent attitude towards China are examples in point. As parallel to the economic and internal politics issues, Modi's critics are worried about an aggressive and expansionist attitude in relations with neighbours. Declarations of former Pakistani Commerce Minister Mohammad Zubair Khan fed apprehensions that Modi would use trade as a political weapon. However, both sides reacted quickly to avoid misunderstandings and verbal escalation, with Modi declaring that his engagement with Pakistan would follow the lines set by Atal Bihari Vajpayee while the Pakistani envoy to India praised Modi's reaction in the face of the outrage caused by recent statements of radical *Hindutva* leaders threatening to expel Muslims to Pakistan. The envoy considered Modi's declarations concerning his country as encouraging and expressed hope that the relationship would move forward under the new government. Nonetheless, Modi has always been clear in his conditions for engaging with India's conflictive neighbour, warning that there could be no dialogue while "bombs blast and guns blaze". A more assertive policy, demanding

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concrete confidence building measures in the security field for progress in other negotiations could lead to a deadlock in the current bumpy dialogue, unless the Pakistani government takes unprecedented steps to rein in aggressive militants.

Modi aides privy to his intentions have declared that he will promote a paradigm shift in India's foreign policy. Trade and culture, along with security and strategic concerns will be reformulated in the external relations of the country. A new role for individual states in leading foreign policy initiatives seems to be prominent among the innovations that Modi intends to introduce in this field. The absence of any jingoism in his campaign, the declaration that he will continue the foreign policy principles of the Vajpayee administration and his emphasis on the need to develop India's economic diplomacy, underline the pragmatism that will probably guide Modi's foreign policy. He does not seem to share the Chinese threat obsession of some of the security establishment in New Delhi, who demand a more solid support for Vietnam in the disputes in the South China Sea or a containment of Beijing in the region. Modi has made many visits to China and is well aware of the benefits of mutual cooperation. He was received by Chinese authorities with the greatest consideration and interest, creating the base for a fluid relationship. Dr Walter Andersen, an old India hand and expert on the *Sangh Parivar* believes that the BJP government will focus on a Look East foreign policy, increase economic cooperation with China and Japan and promote trade with Southeast Asia.

According to BJP sources, their government's foreign policy will not lean on a security-centred approach, while the promotion of trade and the internationalisation of India's economy will be of paramount concern. In any case, Modi is a convinced nationalist, who will not change the independent line of India's diplomacy, a principle deeply ingrained in the collective political psyche. A more assertive foreign policy and an acceleration of the modernisation of the armed forces do not contradict those principles and should be expected. His reassurances of keeping the doctrine of "no first use" of nuclear weapons are also in line with such principles. Modi has also spoken of moving beyond the prickly nationalism that has burdened relations with other countries such as the United States of America, especially since the arrest of an Indian diplomat in New York. Although, he may stress on developing trade with the Southeast Asian region and other partners such as Japan in the initial stages, the issue of energy and the supply of resources largely from the Gulf, Africa and Latin America, will demand a more assertive Indian policy worldwide. Handling the relationship with Iran will also test the new prime minister's diplomatic abilities.

The progress on Iran's nuclear programme negotiations has reduced pressure on New Delhi's strategic relationship with Tehran, but the complex *ménage à trois* between Iran, Pakistan and India will be tested in the difficult times ahead after the withdrawal of international forces from Afghanistan.

India is becoming a global power and all the major players in the international arena will keenly follow reformulations of its foreign policy. Washington has invested considerable political capital in building a strong strategic relationship, leaving behind the years of mistrust due to its traditional alliance with Islamabad. Immediately after the elections, when all indications were that the BJP would obtain a historic majority, President Barack Obama announced that he would work with any new Indian government, insinuating that the former mistrust towards Modi was something of the past. Russia has preserved its solid ties established since India's independence and remains New Delhi trusted partner in a new and open relationship. Meanwhile, as shown by the trip to New Delhi of its Foreign Minister Wang Yi China seems keen on developing a new status quo in Asia to accommodate the new realities created by the economic and strategic rising of both countries. Indeed, after Bhutan, the small strategically placed kingdom in the Himalayan, Modi's first foreign visit was announced to be in Japan where he enjoys a friendly relation and some ideologist kinship with Prime Minister Shinzo Abe. The European Union is also looking to a future economic and political partnership with India, to be hopefully cemented by a *Free Trade Agreement* and closer political dialogue. While Modi's international leadership has not been a subject of debate like his economic prowess or his political ability to accommodate the new aspirations of Indian society, it will have a considerable influence in shaping the international landscape at the beginning of the twenty-first century, already called "Asia's Century".

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