

Modi offers scam-free governance; India now bright spot in global eco

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The preceding ten years of the UPA rule had unquestionably witnessed the most corrupt Government since Independence. Prime Minister Narendra Modi created transparent systems through legislative and institutional changes which have given this country a scam-free governance. Unlike the UPA, the Prime Minister is the natural leader of both his party and the nation. We have witnessed a journey from indecisiveness to clarity and decisiveness. India has transformed from being a part of the "fragile five" to the "bright spot" on the global economic scene. A regime of policy paralysis has been transformed into one of decisions and actions. India, which was on the verge of becoming a "basket case" has today been transformed into the fastest growing major economy in the world and is likely to hold that position in the years to come. The country's mood from despair has transformed into hope and aspirations. Good governance and good economics have been blended with good politics. The result of this has been that the BJP is more confident, its geographical base has become much bigger, its social base has expanded



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ed and its winnability has hugely increased. The Congress is in desperation without the perks of office. From the dominant party of Indian politics, it is moving towards the "fringe", its political positions are not of a mainstream party but one usually adopted by "fringe" organisations. Fringe organisations can never hope to come in power. Its best hope lies in becoming a supporter of regional political parties. State level regional political parties have realised that the marginalised Congress can at best be either a junior partner or a marginal supporter. Karnataka had witnessed a telling example of this. A regional political party whose base at best is confined to a few districts was able to extract a Chief Ministership of the Congress to which the Congress meekly surrendered. It had even lost its bargaining capacity. It is today putting on a brave face in

Karnataka where the losers are masquerading as a winner.

Scam-free Governance

Prime Minister Modi has institutionalised a system where discretions have been eliminated. Discretions lead to abuse of power because they can be misused. Allocations of contracts, natural resources, spectrum and other Government largesse which were being distributed through discretions, are now allocated through a market mechanism. Laws have been changed. Leaders of the industry are no longer seen repeatedly visiting the South Block, the North Block or the Udyog Bhawan. Environmental clearance files don't pile up. FIPB has been abolished.

For cleaning up the economy, India has to transform from a tax non-compliant society to a tax-compliant society. The enactment and implementation of the Goods and

Services Tax, the impact of demonetisation, effective tax compliance are all steps against black money, steps which are formalising the Indian economy. The Insolvency and Bankruptcy Code has changed the lender-creditor relationship. The creditors no longer have to chase the debtors. If you cannot pay your creditors, you have to exit through a statutory mechanism.

The Social Sector Priority

For the first time in history, the poor and the marginalised are holding bank accounts as part of the world's largest financial inclusion programme. The MUDRA Yojana has made cheaper credit available to the weak and the marginalised. The biggest beneficiaries of this have been women, SC/ST, minorities and other weaker sections. Rural roads with a hugely increased expenditure are a success story. That every village must be connected with road and electricity, affordable rural housing, toilets and gas connections in all homes, are intended to change the quality of life in villages. The Crop Insurance Scheme and the Government's decision that farmers must get 50 percent above cost are steps intended to eliminating agricultural distress. The UPA Government had sanctioned Rs.40,000 crores

under MGNREGA but with budget cuts spent only Rs.29,000 crores. Today that expenditure has been doubled. Under Food Security Programme, the expenditure has been increased to Rs.1,70,000 crores to ensure cheaper food-grain availability to the eligible. On the health-care front, the destiny of India's poor will change when 40 percent families at the bottom of the ladder will get a treatment upto rupees five lakhs for hospitalisation at the cost of the Government scheme.

The Economic Management

During the UPA Government, India had fallen off the global radar. In its initial years when the world economy was booming, India grew on the strength of global tailwinds. When the global situation became challenging, the UPA's decisiveness and performance collapsed. The last two years of the UPA had witnessed substantially lower growth rates. From the very first year of NDA, India is the world's fastest growing major economy with the highest GDP growth rates. This is also the global projection for the next few years.

The Current Account Deficit (CAD) saw an unprecedented 6.7 percent deficit in the

year 2012-13. The NDA has consistently maintained a CAD of under 2 percent on an annualised basis. The poor economic management was visible when under the UPA fiscal deficits remained alarmingly high. The Government was spending more and earning less. We witnessed fiscal deficits of 5.8 percent, 4.8 percent and 4.4 percent in the UPA's last three years. Having inherited the mess, the NDA, year after year, has brought it down to 3.5 percent and shall, this year, try and deliver a 3.3 percent fiscal deficit. The UPA's economic management was such that even when fiscal deficits were high, expenditure cuts of over rupees one lakh crores were done in order to make fiscal deficit optically look slightly better. Cut in expenditure means cut in growth. During the NDA years, Revised Estimates of expenditure were always higher than Budget Estimates. The UPA provided India in its last years an inflation figure upto 9 percent and at one stage even crossed into double digits. The NDA has tried to contain inflation and on most occasions has remained within the target of 3 to 4 percent. The poor economic management of the UPA resulted in the high cost of borrowing for the Centre and the State

Governments. The bond yields had touched an incredible 9.12 percent in April, 2014. We have been, on an average, able to contain it between 6 to 7 percent with a low of 6.3 percent on one occasion and rarely in the 7 percent range only when global factors impacted either the currency or the crude prices.

From the last year of the UPA, the infrastructure expenditure to this year has increased by 134 percent during the current year. The Congress President must remember that taxes don't go into the pocket of the Government. They go back to the people for better infrastructure, better social sector expenditure and poverty reduction programmes. The social sector expenditure has seen a substantial increase by both the Central and the State Governments. The road sector programmes has witnessed a 189 percent increase between the last year of the UPA and the current year of the present Government. Resources are transferred to the States with 42 percent devolution of taxes, Finance Commission grants and assistance through the CSS schemes. Notwithstanding the perpetual grumbling, last year of the UPA witnessed Rs.5,15,302 being transferred to the States. This year the proposed transfer is 145 percent

higher and will be at 12,62,935 crores. This is over and above what the States earn from the GST where they have been constitutionally protected with a 14 percent annual increase. The States independently levy their own taxes.

Institutional changes thus being enacted and implemented are putting the Indian economy on a far stronger wicket.

The Fifth Year Debate

As we enter the fifth year of the Government, the NDA's priorities are clear. This will be our year of consolidation of the policies and programmes which we have implemented. In our Prime Minister, we have a strong leader with a mass appeal. His capacity to change India's destiny is globally recognised. His insistence on integrity, his infatigable capacity to work, his clarity of policy and direction, his boldness in taking steps in larger national interest gives the NDA a natural political advantage. Clarity and credibility are hallmarks of the NDA Government.

The last few days have witnessed a discussion about a "fictional alternative". A group of disparate political parties are promising to come together. Some of their leaders are temperamental, the others occasionally change ideological positions.