

# Much done, more to be done

Prime Minister Modi has moved fast, and as some may believe, extended the canvas too wide. Yet, he has proverbial miles to traverse. A plethora of challenges confront him

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One has heard it all before, that Congress leader and eminent lawyer Kapil Sibal just wrote in a newspaper column. The familiar rantings against all initiatives of the Narendra Modi Government have such an empty sound to it — the hollow rings, if you please — that it makes only a journeyman's effort borne out of party duty rather than conviction. One expects the venerable leaders will also sense a tinge of conscience not to ignore the context and the perspective of what Modi inherited when he assumed office.

Let us first see how the United Progressive Alliance (UPA)-I Government rode on the surge generated by National Democratic Alliance-I. While the former's economic managers celebrate the unprecedented growth between 2004 and 2008, they choose not to recount how gross domestic product (GDP), at 2004-05 prices, decelerated from 9.5 per cent in 2010-11, to 6.2 per cent in 2011-12, to five per cent in 2012-13 — a decadal low. The growth of gross fixed capital formation plunged from 15 per cent in 2010-11 to 4.4 per cent in 2011-12, further to 1.7 per cent in 2012-13. Entrepreneurs got increasingly miffed by pervasive environments of sleaze, policy instability and lack of will.

Wouldn't senior, erudite leaders such as Sibal like to recall how the UPA indulged in fiscal profligacy, evident in its widening current account deficit, heavy public borrowing, persistent inflation, and weak currency? On the evening of Modi's coronation in May 2014, direct tax accruals were tepid, the Sensex and Nifty bearish — the biggest stocks eight per cent off their 6 month peak and mid-caps down over seven per cent. When India needed to create about 100 million net new jobs in the decade, The National Sample Survey Organisation (NSSO) reported, the number of jobs created during the eight year period from 2004-05 to 2011-12 aggregated to just 23 million compared to the 50 million during the six year period 1999-2000 to 2004-05. To this was added the 2G Spectrum, Commonwealth Games and Coalgate.

A large number in India and outside lamented how the country shot itself in the foot. In 2004, the US Central Intelligence Agency agreed with *The Wall Street Journal* that, by 2020, India would be an economic superpower. *The Economist* admitted that India, the elephant had learnt to fly. *Time* magazine proclaimed that, "the world's biggest democracy is the next great economic superpower." Alas, all this promise was squandered away. As Professor Dani Rodrik of Harvard put it, India has indeed missed the bus.

Wary of the regressive 10-year UPA regime characterised by extra-constitutional authorities, calling the shots *sans* any accountability, the country yearned



for strong and decisive leadership. Nation's sullen mood was aptly captured by *The Economist*: When 'a caged tiger', in fact, the elephant had learnt to fly following three years of drugged and fitful sleep; blight descends, with angst against effete — the dysfunctional UPA Government, its lackadaisical governance becomes corrupt and venal. The nation needed strong, creative leadership in South Block. For running a complex and cacophonous country, there is a long running desire among middle class Indians for a strong hand at the tiller. Modi won hearts of young India across the country, changed their mood, lifted their morale.

The economy, bruised and battered, in Intensive Care Unit, Modi Government's determination and dexterity helped it gain strength. Recovery, though fast and robust, would take time for it to sprint, in terms of its potential. Within few months, world community started viewing India again as an economic opportunity. With his unique communication and marketing skills, infinite energy and ubiquity, capacity to take risks and walk on the edge of the bridge, Modi, unburdened by any dynastic or filial baggage, unscathed by sleaze or scandal among his colleagues, undeterred by media storms or liberal armchair naysayers, infused hope and confidence in people's hearts and minds.

A rank outsider in Lutyens' Delhi, he rendered the entrenched lobbying industry redundant; the Planning Commission yielded place to Niti Aayog; plan and non-plan distinction in budget disappeared; 92 year old separate railway budget merged in the Union budget; Budget presentation advanced to

MODI IS NOT UNWARE THAT WHAT WAS DUBBED AS THE 'MODI TSUNAMI' IN 2014 WAS YOUNG, ASPIRING AND IMPATIENT INDIA VOTING FOR A RUPTURE WITH THE PAST, TO SWEEP AWAY THE COBWEBS OF BUREAUCRATIC AND POLITICAL LETHARGY AND UNLEASH COUNTRY'S CREATIVE ENERGIES. HE HAS MOVED FAST

facilitate timely disbursement of funds; two decade old Foreign Investment Promotion Board (FIPB) disbanded; some 1,159 redundant laws repealed. Among several legislative initiatives, the Insolvency and Bankruptcy Code, 2016 and Aadhaar Act, 2016 are expected to further Government's social and economic agenda as the much delayed Goods and Services Tax, as the mother of reforms, has been steered so diligently to fruition. Accusing Minister for Finance Arun Jaitley, making 'short-sighted compromises' for GST to have become 'one nation, eight tax', senior Congress stalwarts, in fact, seem to regret why couldn't they move with such exemplary deftness and flexibility.

Let the perspective be duly understood. In terms of new GDP series, India's growth declined to 5.6 per cent in 2012-13, 6.6 per cent in 2013-14 *versus* 8.3 per cent during the preceding nine years commencing in 2003-04. Under Modi's watch, economy rose 7.2 per cent in 2014-15, 7.9 per cent in 2015-16, 7.1 per cent during 2016-17. Inflation has fallen from eight per cent during January-April 2014 to well below four per cent now; fiscal deficit dropped from 4.5 per cent in 2013-14 to 3.5 per cent in 2016-17; rupee has steadily strengthened; about nine million new income tax payers have been added; country's market capitalisation currently aggregates two trillion dollars; Foreign Direct Investment flow, during last three years amounted to \$156 billion, a record \$56 billion in 2016-17 alone. As Make in India gains traction, local manufacture of high-tech electronics moves apace. Indigenous manufacture of myriad defence equipments is now poised to

gather steam. Strangely, blinkered Congress spokespersons see only 'signs of deep economic distress'.

With no high level corruption allegations, Modi Government has been auctioning/e-tendering spectrum, coal and mineral mines, and lending unprecedented impetus to infrastructure projects — especially those which has been stuck for long. What has been achieved in the power sector, that looked intractable until the other day, is indeed incredible. A flurry of schemes and projects such as *Swachh Bharat Abhiyan*, Smart Cities, Digital India, Skill India, *Pradhan Mantri Awas Yojana* have been unfolded with bewildering alacrity. The *Pradhan Mantri Jan-Dhan Yojana* launched in August 2014 has helped open 280 million new bank accounts, mostly for the deprived. By Aadhaar seeding, welfare entitlements are provided by bank transfer. Under the *Pradhan Mantri Ujjwala Yojana*, around 20 million below-poverty-line rural households receive liquefied petroleum gas.

Modi is not unaware that what was dubbed as the 'Modi tsunami' in 2014 was young, aspiring and impatient India voting for a rupture with the past, to sweep away the cobwebs of bureaucratic and political lethargy and unleash country's creative energies. He has, indeed, moved fast, and as some may believe, extended the canvas too wide. Yet, he has proverbial miles to traverse. A plethora of social, economic and political ills perpetrated over last 70 years would not easily go.

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