

POLITICAL DIARY KALYANI SHANKAR

Challenges ahead for Modi

Three years ago on 26 May Narendra Modi took oath as Prime Minister dazzling the entire sub-continent by inviting leaders from neighbouring countries for his swearing-in ceremony. Since then he has had a long honeymoon period, which still continues. Modi and his party are going strong with no leader to challenge him.

While Modi's report card sounds good, there are also black clouds like unrest in Kashmir, less jobs, religious tensions and atrocities on Dalits and minorities, which need to be addressed in the coming two years. He had promised reforms in every field – administrative, judicial, electoral and political and not much has happened on these fronts.

The next two years are crucial for Modi's comeback ambition. Politically the BJP is surging forward unchallenged except in Bihar and Delhi in 2015 and it may continue to do so. In the next two years there are at least eight state Assembly polls. The BJP is ruling in Madhya Pradesh, Rajasthan, Chattisgarh and Gujarat and wants to snatch power in Karnataka and Himachal Pradesh from the Congress as well as in BJD-ruled Odisha.

The BJP has strong state leaders in Madhya Pradesh, Rajasthan and Chattisgarh but the anti-incumbency factor is also strong. For instance both Madhya Pradesh chief minister Shiv Raj Singh Chauhan and Raman Singh of Chattisgarh are bidding for power for fourth consecutive terms and Vasundhara Raje for the second consecutive term.

Modi has promised a Congress Mukt Bharat. While the Congress party is on the slide, it has improved in Bihar and emerged as the single largest party in Manipur and Goa although it lost out while forming the government to the BJP. It had won Punjab creditably. If the Congress forms a grand alliance with other parties in the next two years, it might not be wiped out even if it does not win states. In most of the states which are going for polls in the coming two years including Gujarat, Chattisgarh, Madhya Pradesh, Himachal Pradesh, Karnataka and Rajasthan there is likely to be a direct fight between the two parties.

The second is about the economy. So far things are going well and



the GDP growth is fixed at 7.2 per cent. The Modi government's challenge will be to sustain this growth and improve on it. That depends on many other factors including a good monsoon, good industrial, manufacturing and agricultural growth, crude oil prices, the global economy, the stock market and inflation.

Modi has been trying to sell India to foreign investors during his visits to 50 countries. But foreign investors want more reforms and whether Modi will be able to push through reforms in labour, banking and financial sectors in the next two years is to be seen. Reducing current account deficit and fiscal deficit is also important. Revival of the manufacturing sector and inflation could be a worry for the policy makers. The third is although Modi has announced many schemes like Make In India, Stand Up India, Skill India, Swachh Bharat and the like some are doing well while others need better implementation. The success counts only when they percolate down the pyramid in the next two years. Moreover the cooperation of the states is needed for implementation of the centrally sponsored programmes. For instance the government is banking on rolling out of GST to net maximum tax revenue in order to pass on some relief to individual taxpayers. The jury is still out on the impact of demonetisation.

The fourth and most important challenge is employment growth. Modi came to power promising jobs and it is in this area the government has not performed well. He came to power wooing the youth and this section is important for his coming

back in 2019. He has managed to capture the imagination of the poor by his demonetisation move and those of the weaker sections and marginalised castes by including them in his social engineering. These need to be continued.

The fifth is about the budgets in the coming two years. No government can take hard decisions in its last two years, as that is the time to go for soft budgets to attract votes. So there is not much room for manoeuvrability.

The sixth is about Parliament. With the BJP in the minority in the Rajya Sabha it needs the support of other parties for pushing through legislative measures. The coming two years will see more confrontations with a weak opposition in view of the upcoming Assembly polls to eight states.

The rise of naxalism and militancy are other challenges.

Jammu and Kashmir continues to be a worry and things have never been so bad as they are now in the state. The PDP-BJP coalition is yet to come to grips with the situation. The Modi government has to address the concerns of the people of the state and start the process of governance, development, jobs, and dialogue. Linked to that are the foreign policy issues and Pakistan, China and US policies. There must be clarity although the Modi government has been touting its foreign policy successes.

One week is said to be long in politics and two years is really long. While Modi's victory seems to be more or less certain it depends on how he faces these challenges.