

Caught in a stranglehold

- Political tactics and economic effects

Commentarao - S.L. Rao

India appears to be caught in a political time warp that will strangle its potential. Many initiatives of the United Progressive Alliance II were stalled by inept ministerial management and the Opposition (Bharatiya Janata Party) obstruction in Parliament. This is repeating itself with the Narendra Modi government. Ministerial improprieties and ineptitudes have enabled the Congress to regroup itself as leader of an Opposition group, and using the BJP's past tactics. The result will be a weakened economy.

The decimation of Opposition parties in the Lok Sabha by the BJP frightened them all. They, and particularly the Congress, were in shock. Like headless chickens they searched for leadership initiatives from the mother-son duo. BJP ministers and chief ministers have presented them with opportunities for attack.

Mulayam Singh Yadav's Samajwadi Party did not see their Lok Sabha losses as representing a trend. After all, they had a strong state legislative presence. Lalu Prasad's Rashtriya Janata Dal lost little because they had little to lose. But Nitish Kumar's Janata Dal (United) persisted in distancing itself from the BJP. That had resulted in lost votes for the Lok Sabha. The isolation has eroded Nitish's credibility. He initiated an alliance of 'secular' parties, including the corrupt RJD of Lalu Prasad. Nitish and Lalu, after graduating from the Jayaprakash Narayan movement, had been enemies for decades.

The Trinamul Congress in West Bengal saw no threat till the BJP sought to gain turf in Bengal. But decisive victories in the subsequent municipal elections bolstered the TMC's self-confidence. The TMC recognized the need to have the Central government on its side. Overtures to the BJP were reciprocated. The earlier intemperate language of the TMC spokesman, Derek O'Brien, about the prime minister was shelved.

The South remained largely unchanged. Tamil Nadu was the All India Anna Dravida Munnetra Kazhagam bastion and it kept its distance from the BJP. Karnataka is ruled by an increasingly inept Congress. But assembly elections are still years away. They would then confront a united BJP. Telangana is being wooed by the BJP. The Telugu Desam Party in residual Andhra Pradesh has returned to an alliance with the BJP.

None of these regional parties has a permanent ideology, whether regarding socialism, market economy, *Hindutva*, secularism, or any other but only the determination to exercise government power. The Congress's fury at having lost power is demonstrated by the language of its vice-president and others used of the prime minister. Its mother-son leadership moves from one issue to another. Television gives it wide exposure. The Congress has paralysed Parliament (like the BJP did in the UPA II regime). The Congress does not seem worried that the BJP might expose its family skeletons.

The BJP seems to believe that its spectacular victory in the 2014 elections has turned the tide

permanently. The humiliating defeat in Delhi in the hands of the Aam Aadmi Party has not taught it otherwise.

The BJP's contempt of the Congress and its leadership, as well as of other parties, persists. There is no tempering of the arrogant attitudes of the prime minister and the party president towards them. For the AAP, the confrontation in Delhi suits it, not being a party for governance as for agitation and anarchy. The AAP uses government funds on unprecedented self-propaganda, violating judicial directions. It demands all the powers of full-fledged state governments. No party in power at the Centre will accept that. The national capital is Centrally administered in most countries. The AAP's constituency in Delhi is among dwellers in slums and unauthorized colonies, a majority in the electorate. The AAP's strategy is to show itself as being denied power and suppressed by the Centre. This resonates with the AAP's voters. The AAP also gives them populist sops to sustain loyalty.

Parliament has become non-functional. The BJP lacks a majority; the Congress is severely truncated and led by a novice; other parties are confined to the states and each is built around one leader; the AAP, a welcome anti-corruption crusader, is now a party of agitation, not good governance. All parties in Opposition now want to bring the BJP down - not allow it to win more assemblies, not allow it a majority in the Rajya Sabha, and will oppose all its legislative proposals. Improprieties and allegations of misdemeanors by ministers get street agitations and uproars in Parliament. Ministerial resignations are demanded without investigation or debate.

This makes the passing of most legislation unlikely. The BJP has no strategy to woo, suborn and split the Opposition parties. The result will be inevitable economic stagnation. This could make the BJP lose the elections in Bihar, Uttar Pradesh and West Bengal, and, consequently, the Rajya Sabha, and, ultimately, the Lok Sabha elections in 2019. The UPA II, for similar actions by the BJP, experienced relative stagnation.

There are many economic issues for legislative sanction. There are also numerous administrative decisions waiting. Among legislation, the vital one is the Constitutional amendment to enable the goods and services tax which will make India truly a common market. It will significantly add to gross domestic product growth. States and the Centre now agree on its contours.

Various laws to improve the ease of doing business are vital to accelerate domestic and foreign investment, manufacturing growth, urbanization and urban quality of life. Legislation for easing land acquisition is important for this.

So are labour reforms, which require Central and state legislation. India, unlike even Bangladesh, does not encourage large factories employing thousands to manufacture simple products like garments, footwear and so on. Just state legislative initiatives will only make a patchwork. We need Central legislation, for which state governments must compete to make their states more attractive for investors. Various acts relating to factories (hygiene, safety, workmen's compensation, inspections and so on) need changes to reduce intrusively frequent inspections.

But the BJP can move forward also without legislation. It could improve the speed and quality of implementation. More digitization and online reporting and permissions are needed. Direct taxes must be made simpler, consistent and stable. Many basic reforms (some

examples follow) do not require legislation, only government determination.

Administrative reform to increase individual accountability, speeding up of investigations, enforcement and stronger penalties for malfeasance are required. The government must place more trust and be less suspicious of private manufacturers. Our regulatory systems must be independent and strong. They must not require others to point to our weaknesses (for example, American, not Indian, Food and Drug Administration discovered quality problems and forbade the export of Ranbaxy drugs to the United States of America).

A holistic attitude must inform government approaches to all problems. Thus, for example, all electricity (based on coal, hydro, nuclear, gas, renewables), must be governed together by one ministry, along with all fuels. Road, rail, air, shipping, inland and coastal water transport must be considered together to ensure transport coordination and optimization. Health, sanitation, water, must all be governed together.

Instead, we have many ministers and, consequently, uncoordinated approaches. For example, in education, there is little attempt to significantly increase faculty and raise quality in all disciplines at all levels. Appointments, particularly of vice-chancellors, directors and so on, in academic bodies are being influenced by ideology rather than by expertise, a sure way to debase them. To gain a demographic dividend, a major thrust for education and skills is urgent and vital. Quality is bogged down by the BJP's ideological issues. To develop more faculty we need a good basic education and arrangements for faculty development.^a

A year of the BJP government has not changed the grim prospect. For consistent and higher economic growth with more manufacturing and better agricultural production, we need a detailed plan of action, carefully monitored budgets, monitored implementation, intelligent and sincere ministers and officers. Grand ideas and great rhetoric are at best motivators. The orientation to action is not visible.