

'COMMENTARAO' IN "THE TELEGRAPH" OF AUGUST 21 2014

""Ninety Days of the Modi Government" by S L Rao

Prime Minister Modi is the best orator in India. He has spent 90 days observing and considering ways forward. He has very few experienced people in his party-Sushma Swaraj, Arun Jaitley, Ananth Kumar, and Rajnath Singh whose experience as Chief Minister and later, Cabinet Minister was also very brief. Lacking a majority in the Rajya Sabah is a limitation. Oratory cannot overcome the disadvantage of inadequate talent.

Mr Modi has rightly got an awesome reputation for being a quick learner, a good listener, a quick study, a

voracious reader, and a forceful implementer of policies. He had had long experience as Chief Minister and in the BJP central committee.

Given the inexperience in his Ministry, he had, like a headmaster in a boarding school, laid down rules for his Ministers. They are not to talk freely and at will to the media. Their personal staff must not be related or very close to them. Appointment of their senior officers would be approved by the Prime Minister's office and they must not have worked for the previous UPA government's Ministers.

After the early missteps, Ministers now are under control. General V K Singh criticizing the confirmation by the Defence Minister of the appointment of the new Army Chief, or another Singh, in the PMO telling the media that the new government would revoke Article 370 that grants a special status to J & K, were thoughtless. Neither Minister has opened his mouth since nor have such missteps been repeated. Home Minister Rajnath

Singh asked that all social media used in government should be in Hindi, forgetting that there are other languages in India. The language issue can haunt this government in coming months, as the agitation from Uttar Pradesh and Bihar against the UP SC has shown.

His I-day speech was remarkable for its emotion, personal references, sweep and decisions. V But belying his reputation of thinking far ahead, he has not yet appointed people to key Ministries. The most important are Defence and Corporate Affairs which are a combined charge of the Finance Minister. The government's first budget presented 45 days after taking office, was a turgid bureaucratic dream and seemed to be read for the first time by the

Minister. It did not signal any major reform. Its presentation was pedestrian and it had no vision for the future. The Prime Minister has now depicted that vision: emphasis on manufacturing, foreign investment, women, skills development, urging people to forget caste and communal differences, emphasis on sanitation, toilets and hygiene, development

as a cause to unite the SAARC nations, to name some highlights.

But the government's actions till now have not made it different from its predecessor. Thus the retrospective taxation that has harmed India's image for investors, was not abandoned. In interviews, the FM has signalled that retrospective taxation is not BJP

policy. An Entrepreneur Fund with Rs 10000 crores was a good move, and hopefully it will be run independently, not by bureaucrats and politicians. This was not made explicit. The PM's emphasis on large scale manufacturing did not give the necessary primacy to

stimulate small scale and cottage industries, the quickest and most potential of employment generators. While FDI caps were raised, the government did not permit management control to foreign investors over

the joint enterprises. If high technology defence manufacture is to base in India, this is necessary. After all, the Indians who work in such enterprises, will absorb the technology. In any case once the manufacturing is on Indian soil, it is Indian. Some of the taxation measures were backward and contrary to the BJP's promise that taxes would not be raised for industry; for example the dividend distribution tax, debt mutual funds.

With the dearth of Ministerial talent in BJP and if it is not like the UPA to become a prisoner of the bureaucracy, it

must induct many experts into government. This is what Manmohan Singh as Finance Minister did in his first two months. (He also slept in the office since he had a Budget to present in a month. It was a path breaking budget. Jaitley does not even have Economic Advisors who share the Modi vision. Mr Modi could have ignored political affiliations and for instance, re-inducted the Aadhar Chief to implement and apply it, especially in the Direct Cash Benefit Transfer. It could then be speeded up. It is an important ingredient of any attempt to control expenditures. He was rumoured to have had

Sridharan (Mr Konkan Railway and Delhi Metro) in mind for the Railway Ministry. But instead this government also gave Railways to a regular politician.

To be effective we need administrative reform. We must

ensure individual accountability, severe penalties on government servants for misbehaviour, incentives for performers, laying down target outcomes for each officer and measuring officers on their

achievement. Reports of the Administrative Reforms Commissions and of Police Commissions on restructuring and compensating the police forces could have been implemented. No legislation is required. The Intelligence agencies need better coordination and leadership. So far, Mr Modi has only

encouraged the bureaucracy to be free and frank and to be at work in time, and laid down 19 other general rules but there is no basic Administrative reform.

He has begun implementing Debroy's 20 year old report on amending or deleting old laws, and to use the Manish Sabharwal recommendations on wording of labour laws. So something is happening on some fronts.

There are however, other emerging concerns about this government. The Congress had an active extra constitutional authority in Sonia Gandhi, appointing all senior bureaucrats and every Minister, and controlling and passing on all major decisions. It is clear that the new government has this in the RSS. All major

Ministerial appointments and decisions are approved by the RSS. The RSS stopped progress on the government inclination to move forward in considering the introduction of genetically modified seeds for food crops, said by Mr Modi to be important for increasing production. He should know. Bt cotton has made Gujarat rich. Then again, the new Gujarat government has made Dinanath Batra's books as reading for school children, with antediluvian stories about India's ancient achievements in science and technology. There is talk of a

few RSS functionaries being inducted into Ministries. All this is in contrast to our expectation that

Modi like Vajpayee, would be too independent to allow himself to be ruled by an external agency, the RSS. One can only hope that he is biding his time and will be his own man and act according to his intellect and not the RSS influence.

This government's Hindi centric attitudes,

led to a bad compromise with agitating "students" against the UPSC's examination system. It devalues tests for admission to India's "steel frame". The agitation really targets tests in English and of basic analytical skills. It opens the door to a revival of the anti-Hindi agitation that almost broke the country apart a few decades ago. This government is overwhelmingly Hindi-speaking. It strikes no chords especially in South India. The government quickly withdrew a tactless Rajnath Singh led Home Ministry directive that all officers

must use Hindi in social media. Mr Modi's I-day speech gave no hint of how he plans to bring the country back together and uphold the integrity and independence of the UPSC. With the Hindi dominance, we can expect agitations to increase in the pro-Hindi stance. Reactions will follow in non-Hindi states.

Three months of the Modi government signals capture by the RSS, bureaucracy and the Hindi heartlands. His I-day speech depicts a holistic new vision . It is not clear how it will be implemented.

(1292)