Mixing social and economic agendas in India: Reflections on Mr Modi's politics

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Guiding principles of Narendra Modi’s politics

Ideological views of Bharatiya Janta Party (BJP)
Style of Mr Modi’s politics
Few major institutional changes
Challenges and opportunities
Concluding remarks
A firm belief in the ideal that a truly rich and diverse nation like India is optimally united when its people give precedence to their identity as ‘Indians before everything else’ is what led to the birth of the BJP.

The BJP believes in true ‘National’ politics, where every Indian, irrespective of his caste, creed or religion is an Indian first. It doesn’t believe in narrow politics of compartmentalisation and division of society. The party’s agenda is to unite people on the basis of their love for the country. Primacy to this identity is what will once again chart the path for India’s re-emergence as a cultural and economic superpower.

Ideological views of Bharatiya Janta Party (BJP) 2/3

Integral Humanism

‘Integral Humanism’ stands out as a clear way of thought firmly rooted in the Indian tradition. ‘Integral Humanism also stands out for its emphasis on decentralization and attaches immense importance to the economic progress of every human being.

From his life we learn how an individual completely devoted himself to the wellbeing of the nation and the service of the poor.

Narendra Modi, 25 September 2015.

Ideological views of Bharatiya Janta Party (BJP) 3/3
What does this mean in practice

• The party gives priority to unity of India

• May use Hindu religious beliefs and traditional culture as a way to create national identity

• “To transform India into a modern, industrial, military power with a united national and a disciplined workforce” ¹

Style of Mr Modi’s politics

Personalise
Individualise
Emotionalise
Reliance on technocrats and bureaucrats
Instrumental view of constitutional institutions and other formal institutions
Use of communications to manage image and reality
Personalise
Individualise

Appeal to individuals patriotic/serve nation
Instinct to give up subsidies on cooking fuel and food

Nearly 10 million households gave up LPG cooking gas subsidy
Although as difference between non-subsidised and subsidised
Cost of cooking gas has grown nearly 100,000 customers have
Gone back to reclaim subsidised fuel
Emotionalise

Undercurrent in messages from BJP Chief:

Sacredness of Ganges invoked
Culture, religion and Ganges as mother

Environmental protection:
Spiritualising as opposed to commodification of nature

Polanyi’s fictitious commodities
(The Great Transformation, Polanyi, 1944)
Reliance on technocrats and bureaucrats

Direct accountability of senior bureaucracy to prime minister

Politicians in charge of ministries expected to steer but the machinery to implement monitored carefully by the PM office

Policy making versus project planning and implementation

Reforming bureaucracy: accountability, performance management high on action agenda
Managing communication

Claim 5.6 million taxpayers added

Actual
0.54 million additional taxpayers added

Instrumental view of constitutional institutions and other formal institutions

Articulate vision of economic nationalism (make in India, India first)

Articulate cultural nationalism (National interest before any other class interest. Class includes any identity based grouping)

Appeal directly to people and not necessarily debate institutional reforms in parliament (Ordinance route for example).
Few major institutional changes

- **Integration of India as one market**
  - E-NAM: electronic national agriculture market portal
  - Pension fund scheme portable (employee provident fund)
  - Good and Service Tax (GST)

- **Abolition of Central Planning Commission**
  - Strengthening federal structure
  - Healthy economic competition between states (provinces)

- **Repeal of archaic laws**:
  - 3831 laws dating back to 1834 repealed in 2014

- **Redefining relationship between the State and citizens**
  - Small welfare measures such as crop insurance, life insurance
  - Increasing access to private information about people through push for digitalisation, universal bio-metric identity cards and linking of the same to most public services
  - Increasing expectation to conform to national cultural ethos
Challenges and opportunities 1/6
Differing two views on economic growth

Challenges and opportunities 2/6
Decline in software/IT services exports

Source: Software Services: RBI data and IT-BPM: NASSCOM data.
Challenges and opportunities 3/6
Lagging in Human Development Index

<table>
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<tr>
<th>Country</th>
<th>HDI 2015</th>
<th>Change in rank</th>
<th>GNI per capita ($)</th>
<th>LEB (years)</th>
<th>Expected years of schooling</th>
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<th>Income Quintile Income Ratio</th>
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Source: HDR, 2016.
Challenges and opportunities 4/6
Paradoxical agricultural growth and impact


Challenges and opportunities 5/6
Low proportion of GDP expenditure on social services

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Out of Pocket Expenditure on Health as % of total expenditure on health

Challenges and opportunities 6/6
Opportunity: Credit to GDP and GDP growth rates

Concluding remarks

Core reference point has shifted to cultural and nationalistic pride and need to restore it

Digital India and institutional voids

Traditional institutions: tension between constitutional and popular democracy

Possible casualty of reason in preserving, creating and changing institutions, particularly in economic and social context.

Prospect for economic institutions: neither complete free market enabling nor complete state directed

Possible economic outcomes: Medium economic growth rates, less susceptible to external shocks (except energy and border conflicts)