



14-17 September 2017

Utrecht University, Utrecht, Netherlands

Venue: Academiegebouw, Domplein 29, 3512 JE Utrecht

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

DEVENDRA KODWANI

OPEN UNIVERSITY, UK

DEVENDRA.KODWANI@OPEN.AC.UK

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

Ideological views of Bharatiya Janta Party (BJP) 1/3

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.

Source: BJP, <http://www.bjp.org/en/core-issues/nation-first>

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.

<http://www.narendramodi.in/fulfilling-pandit-deendayal-upadhyaya-ji-s-dream-of-a-developed-and-just-india-323487>

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

1. Brass, P.R., 1994. The politics of India since independence (Vol. 1). Cambridge University Press.

Style of Mr Modi's politics

Personalise

Individualise

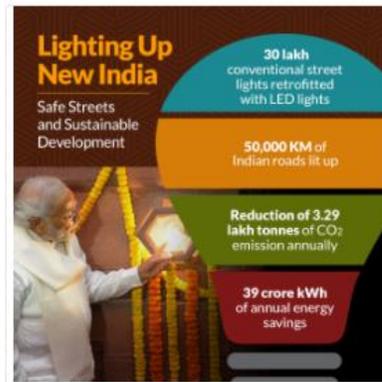
Emotionalise

Reliance on technocrats and bureaucrats

Instrumental view of constitutional institutions and other formal institutions

Use of communications to manage image and reality

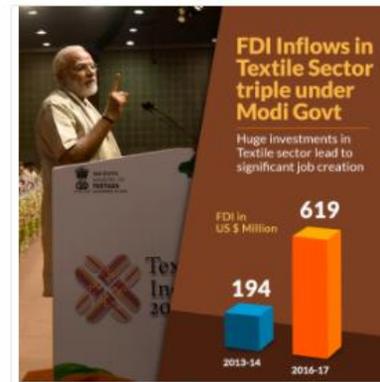
Personalise



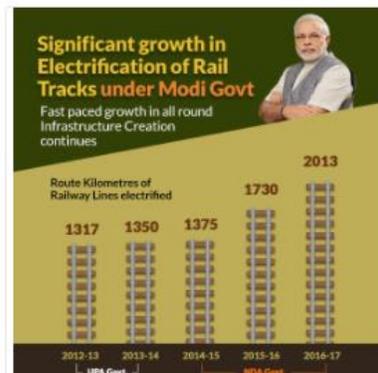
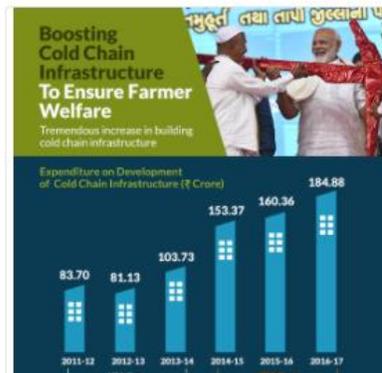
Share this [f](#) [t](#) August 21, 2017



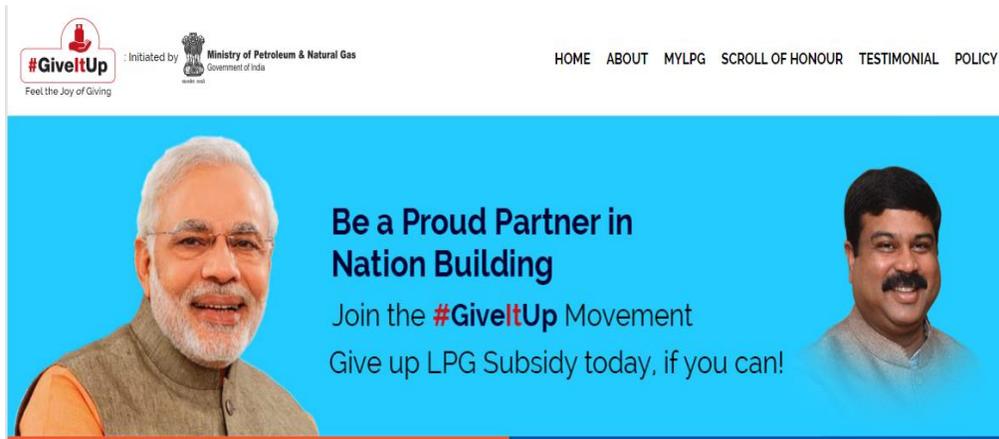
Share this [f](#) [t](#) August 16, 2017



Share this [f](#) [t](#) August 04, 2017



Individualise



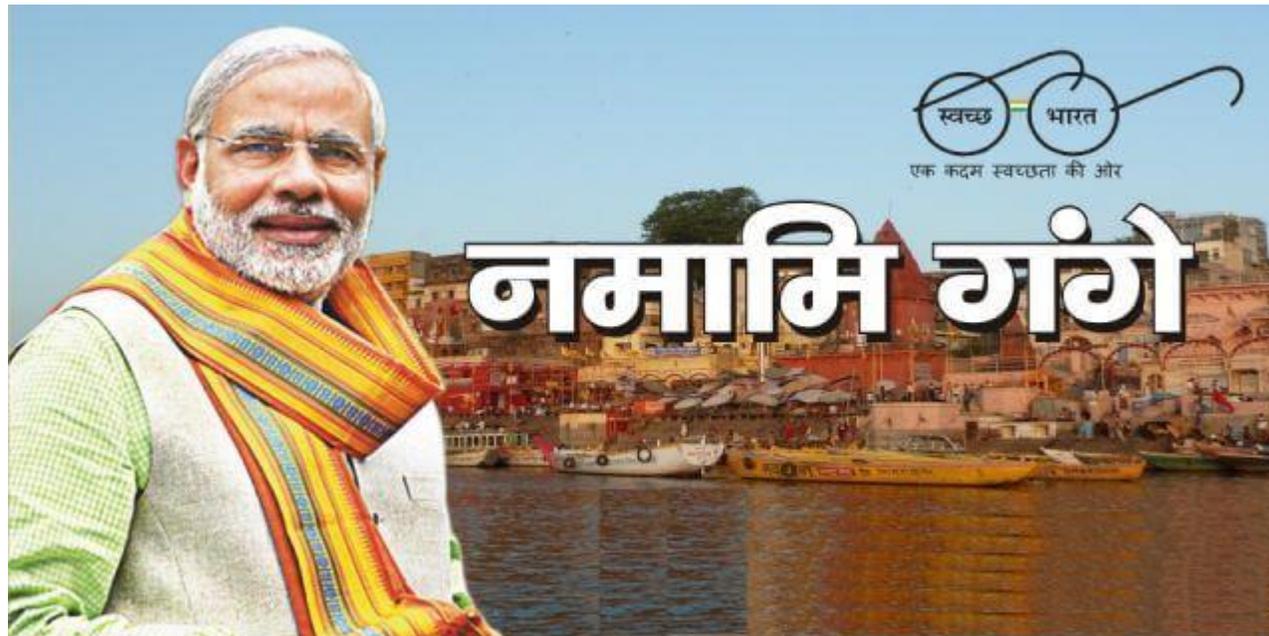
The screenshot shows the top section of the #GiveltUp website. On the left is the #GiveltUp logo with the tagline 'Feel the Joy of Giving'. Next to it is the text 'Initiated by Ministry of Petroleum & Natural Gas Government of India'. A navigation menu includes 'HOME', 'ABOUT', 'MYLPG', 'SCROLL OF HONOUR', 'TESTIMONIAL', and 'POLICY'. The main banner features a blue background with portraits of Narendra Modi and a man. The text on the banner reads: 'Be a Proud Partner in Nation Building', 'Join the #GiveltUp Movement', and 'Give up LPG Subsidy today, if you can!'.

Option to difficult institutional reform on subsidies

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



Demonetisation Success:
Unprecedented increase in Tax Compliance

56 Lakh new tax payers added

No of Returns filed **increase 24.7%** compared to 9.9% in previous year

Advance tax collections of Personal Income Tax **grow at 41.79%** over same period of last year

Personal Income Tax under Self Assessment Tax **grow at 34.25%** over same period last year

The infographic features a photograph of Prime Minister Narendra Modi waving to a crowd. The text is presented in blue and white boxes with a light blue background. An orange arrow points from the '56 Lakh' figure to the 'Claim 5.6 million' text above.

Actual
0.54 million additional taxpayers added

Source: Ministry of Finance, Economic Survey, August 2017.

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)

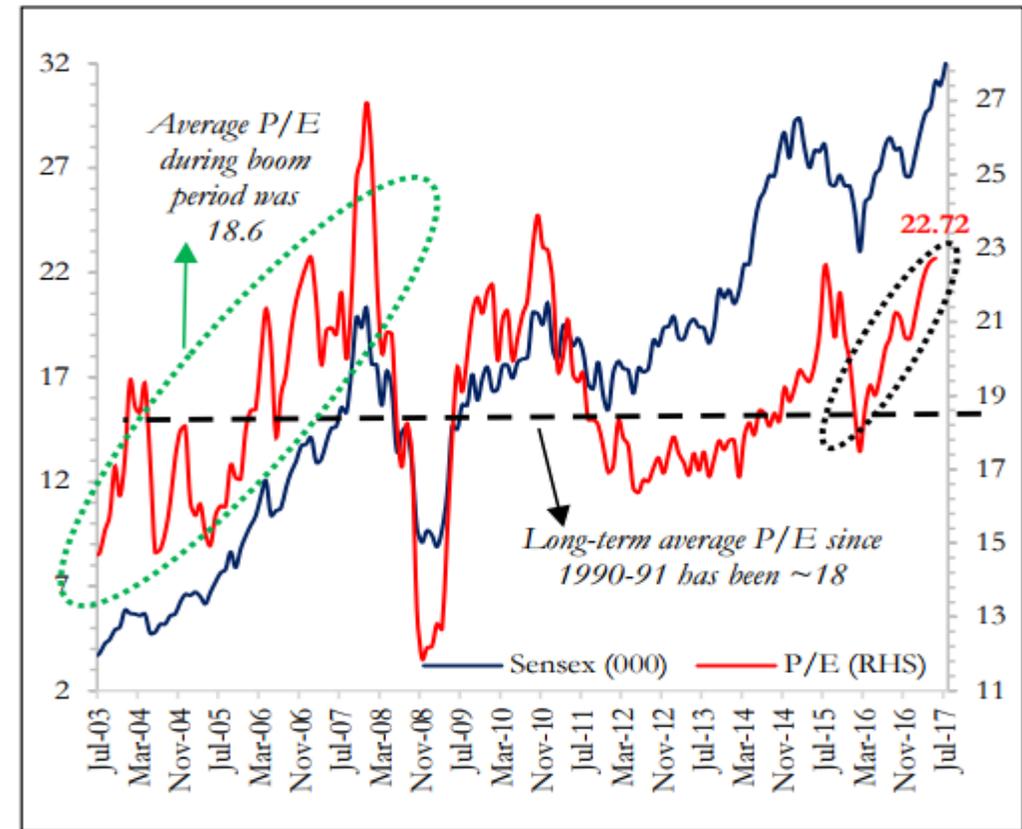
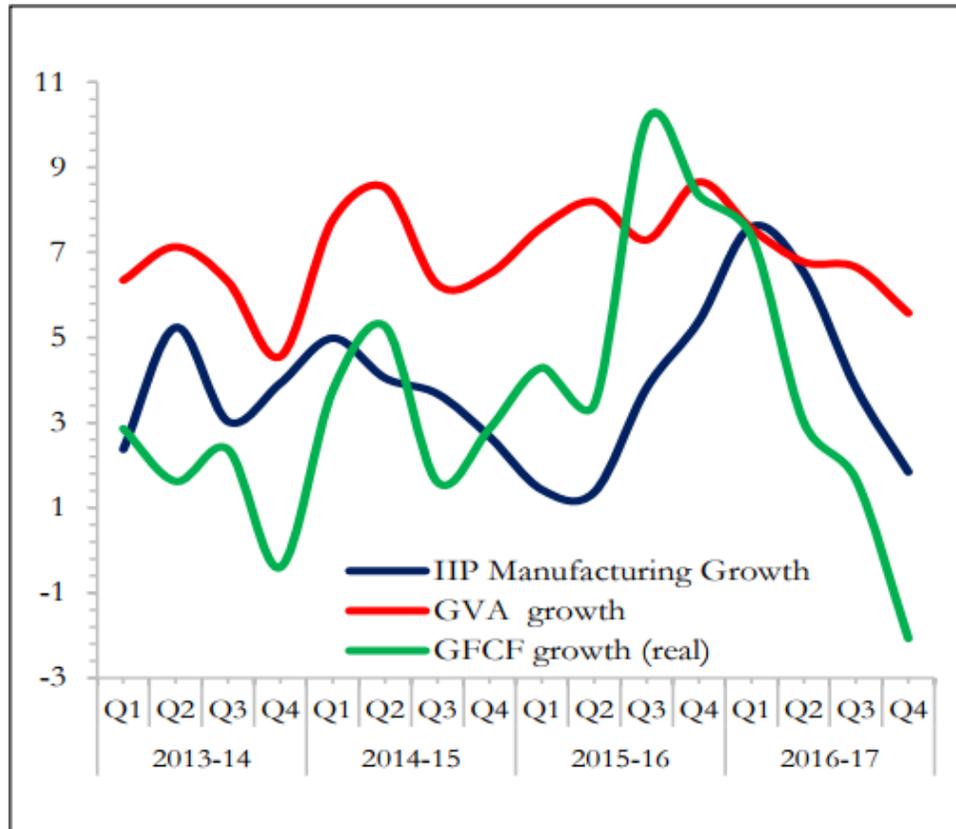
Appeal directly to people and not necessarily debate institutional reforms in parliament (Ordinance route for example).

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

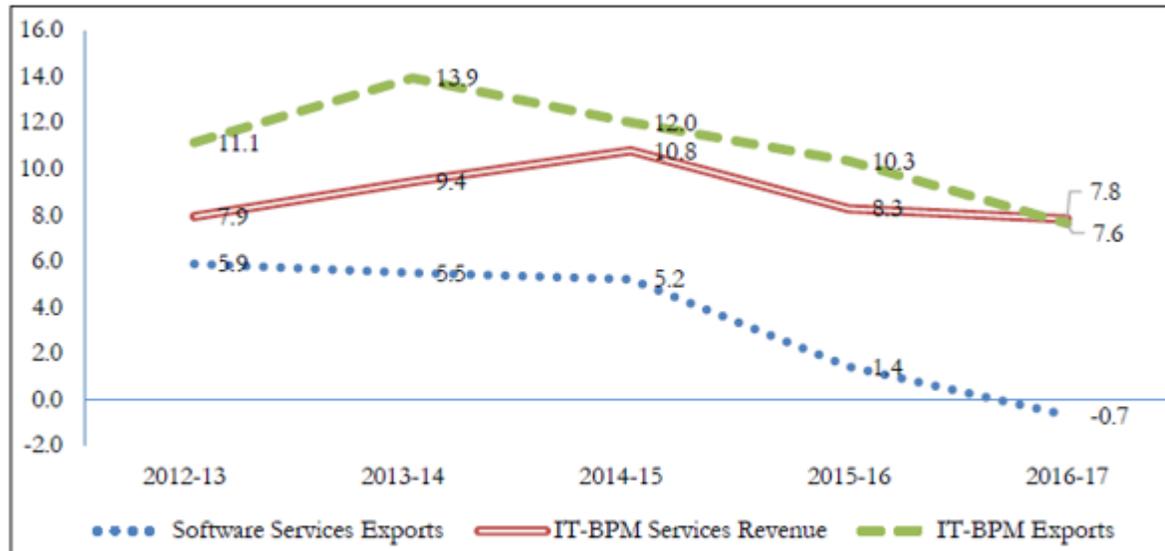
Differing two views on economic growth



Source: http://indiabudget.gov.in/es2016-17/echapter_vol2.pdf p.12

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

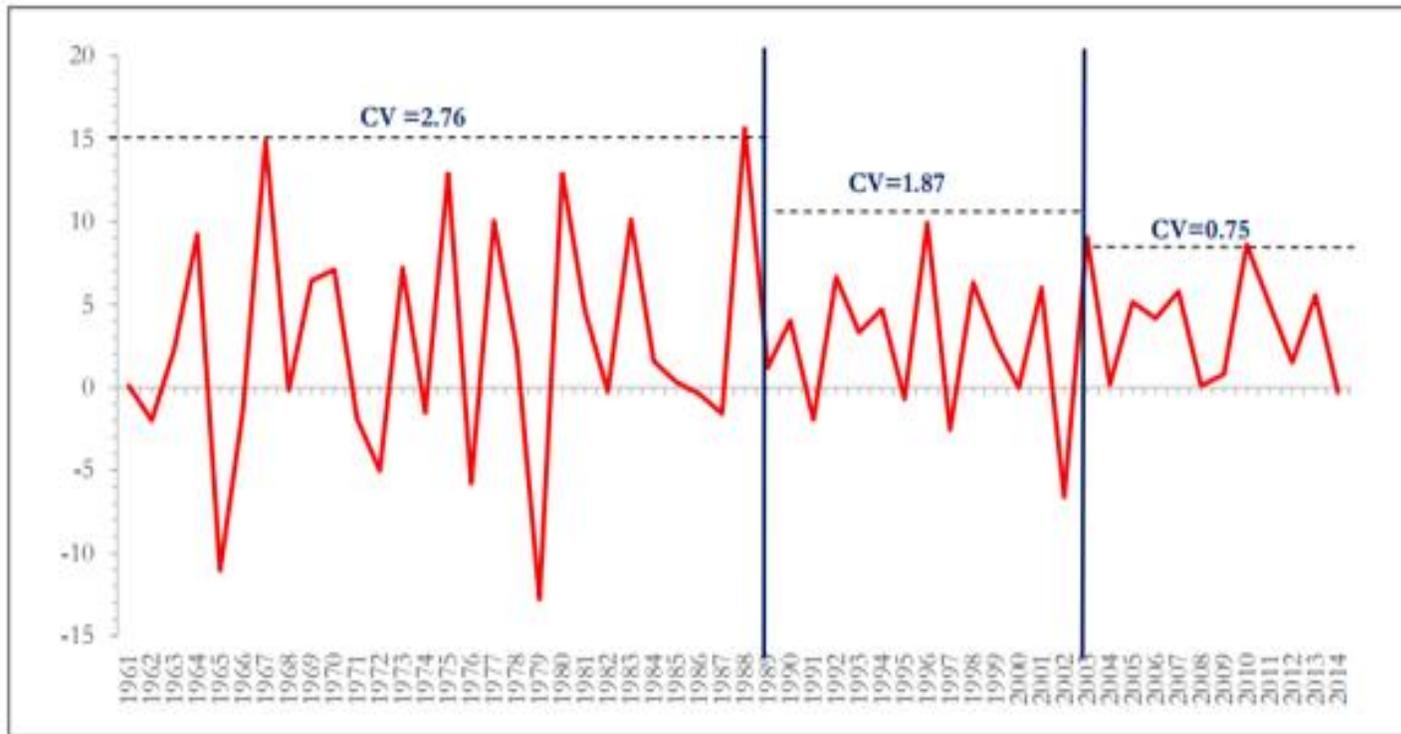
Lagging in Human Development Index

Country	HDI 2015		Change in rank 2010-15	GNI per capita (\$)	LEB (years)	Expected years of schooling	Mean years of schooling	Income Inequality		Gender Development Index 2015	
	Value	Rank						Quintile Income Ratio	Income Gini-Coefficient	Value	Group
Norway	0.949	1	0	67,614	81.7	17.7	12.7	3.8	25.9	0.993	1
Germany	0.926	4	0	45,000	81.1	17.1	13.2	4.6	30.1	0.964	2
Brazil	0.754	79	7	14,145	74.7	15.2	7.8	15.5	51.5	1.005	1
China	0.738	90	11	13,345	76.0	13.5	7.6	9.2	42.2	0.954	2
Egypt	0.691	111	-3	10,064	71.3	13.1	7.1	0.884	5
Indonesia	0.689	113	3	10,053	69.1	12.9	7.9	6.6	39.5	0.926	3
South Africa	0.666	119	2	12,087	57.7	13.0	10.3	27.9	63.4	0.962	2
India	0.624	131	4	5,663	68.3	11.7	6.3	5.3	35.2	0.819	5
Bangladesh	0.579	139	2	3,341	72.0	10.2	5.2	4.7	32.1	0.927	3
Pakistan	0.550	147	2	5,031	66.4	8.1	5.1	4.4	30.7	0.742	5
World	0.717			14,447	71.6	12.3	8.3			0.938	

Source: HDR, 2016.

Challenges and opportunities 4/6

Paradoxical agricultural growth and impact



Features of Suicides in Farming Sector during 2013 - 2015

Year	Suicides in Farming Sector	Total Suicides	Percentage share *
(1)	(2)	(3)	(4)
2013 [@]	11,772	1,34,799	8.7%
2014	12,360	1,31,666	9.4%
2015	12,602	1,33,623	9.4%
Percentage Change	2.0%	1.5%	

*** - $\frac{[(Col.2/Col. 3) \times 100]}{}$

@ - Collected under persons self-employed in Farming/Agriculture

Source: Accidental Deaths and Suicide in India, 2015. National Crime Records Bureau, Ministry of Home Affairs, Government of India. <http://ncrb.nic.in/StatPublications/ADSI/ADSI2015/chapter-2A%20suicides%20in%20farming%20sector.pdf> p.264

Source: Central Statistical Organisation, Government of India. http://indiabudget.gov.in/es2016-17/echapter_vol2.pdf p.10

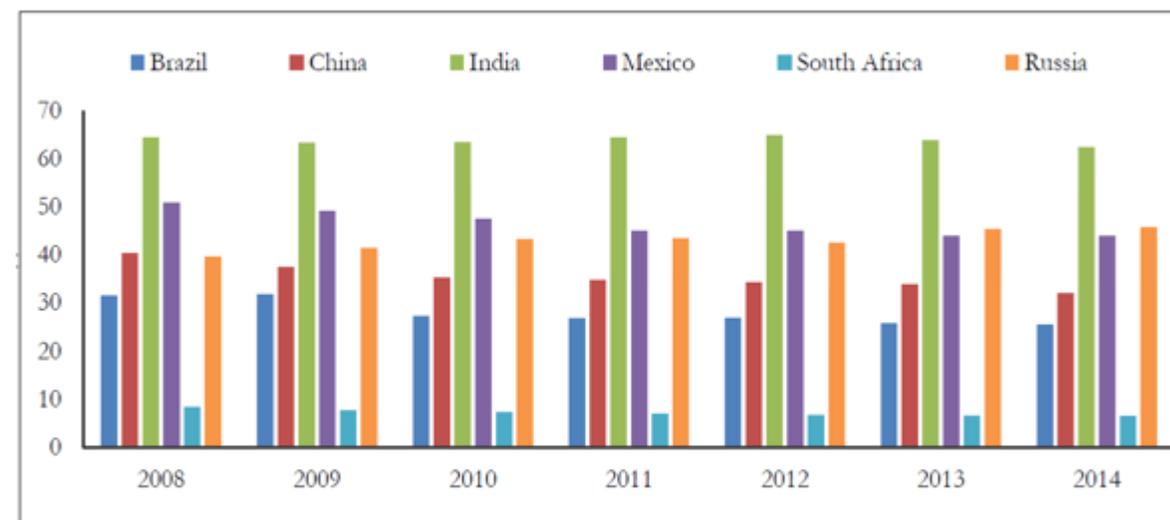
Challenges and opportunities 5/6

Low proportion of GDP expenditure on social services

Items	2011-12	2012-13	2013-14	2014-15	2015-16(RE)	2016-17(BE)
Expenditure on Social Services	6.6	6.6	6.6	6.2	7.3	7.4
<i>of which:</i>						
i) Education	3.2	3.1	3.1	2.8	3.1	3.2
ii) Health	1.3	1.3	1.2	1.2	1.4	1.5
iii) Others	2.2	2.2	2.3	2.1	2.8	2.8

Source: Economic Survey Volume 2: Government of India, August 2017. p. 256

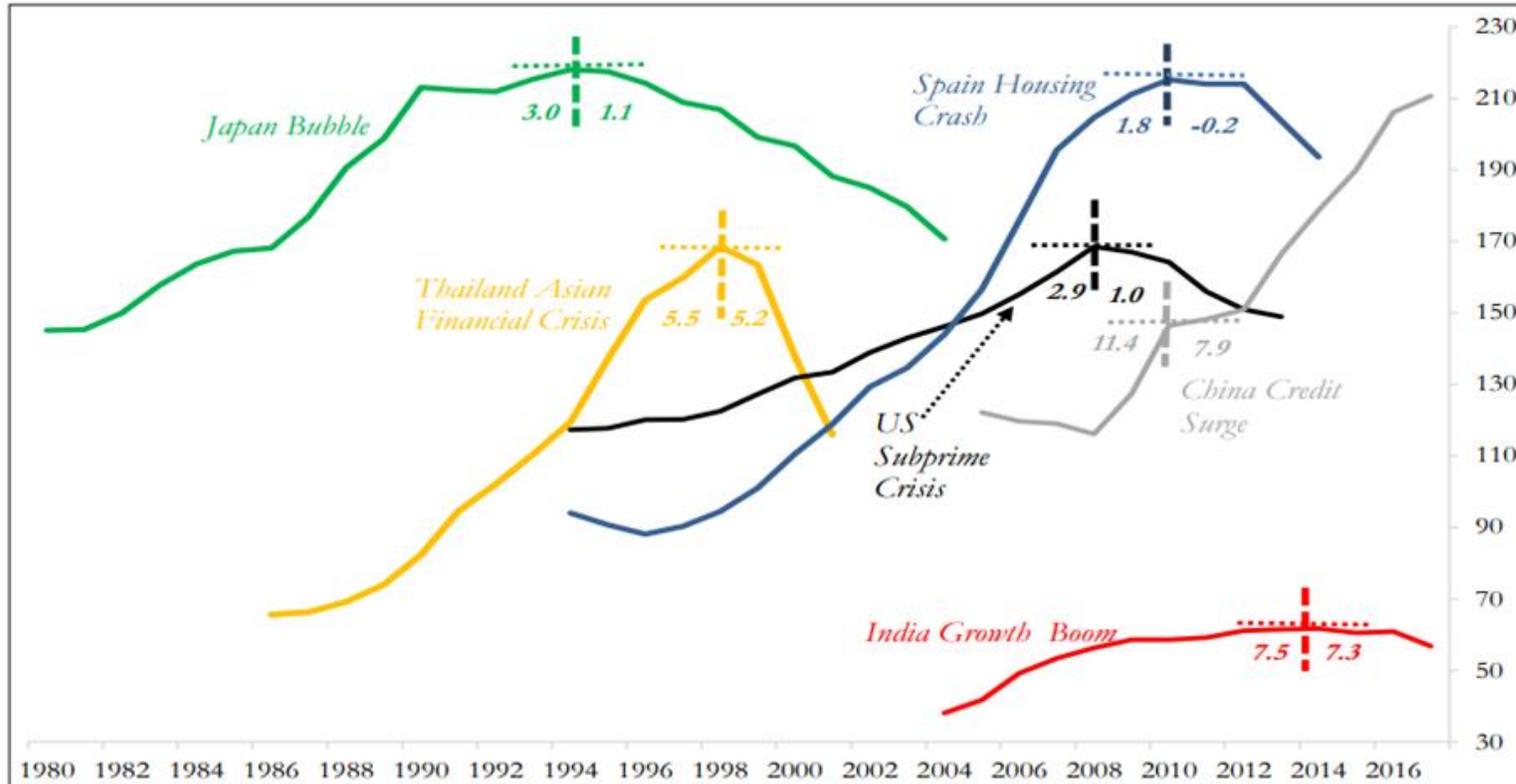
Out of Pocket Expenditure on Health as % of total expenditure on health



Source: World Development Indicators, World Bank.

Challenges and opportunities 6/6

Opportunity: Credit to GDP and GDP growth rates



Sources: Bank for International Settlements (BIS) and International Monetary Fund.

The Figure plots the credit-GDP ratio over time; numbers in the chart refer to real GDP growth 5 years before and after the credit to GDP ratio peak, except for China and India

Source: http://indiabudget.gov.in/es2016-17/echapter_vol2.pdf p.32

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)