

Hype vs Reality

Since the Modi government assumed charge in 2014, India has been rejuvenated across economic, social and political fronts



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As the Modi government completes four years of its first term in office and the nation braces itself for the general elections next year, it is an opportune moment to understand the inner motivations of the government that duly shapes its policies and workings. The victory of the Narendra Modi-led BJP in the 2014 general election brought about a tectonic shift in Indian politics. The mandate was a rejection of incrementalism in favour of transformative changes. Modi was voted to power on the promise of accelerating economic growth, creating a corruption-free environment and achieving participative development.

Economic Philosophy: The Modi government believes in being fiscally responsible, increasing the efficiency of government expenditure and makes laws and policies that favour empowerment over entitlement.

Within the ambit of this philosophy and guided by *Antyodaya*, the government is unabashedly pro-poor. Committed to addressing the challenge of slow economic growth and inequality, the government is not dogmatic about the instruments that should be used. This a clear shift from the policy of doles and entitlement followed by the previous UPA government.

Focus on infrastructure spending and increased allocation for economically disadvantaged sections of the society required higher governmental spending. Achieving this, while at the same time reducing fiscal deficit, called for increasing the tax to GDP ratio. Towards this goal, the government implemented the Goods and Services Tax (GST), which is the biggest tax reform since Independence. GST has broadened the tax base by creating a system where registration, filing, assessment, credit and refund are all online with little scope for subjective intervention and harassment.

Inflation is tamed and fiscal deficit is controlled by the government by taking strong policy decisions. The government has tried to address all pervasive corruption through steps like demonetisation, direct benefit transfer (DBT), Jan Dhan Accounts, Benami Properties Act and increased transparency in governmental working. Deregistration of shell companies, renegotiation of bilateral tax treaties, Income Disclosure Schemes (IDS) have been other steps in this direction.



Narendra Modi's call of 'development for all' has appealed to the masses

Business transactions through banking channels are being encouraged so that they leave an audit trail.

The Insolvency and Bankruptcy Code (IBC) has been one of the biggest reforms in the factors' market. Promoters of defaulter companies are facing a real challenge of losing control over their respective companies. The successful resolution of the NPA of Bhushan Steel Limited under the IBC is going to be a game-changer for the banking sector. The Financial Regulation and Deposit Insurance (FRDI) Bill seeks to create an institutional setup to resolve distress in financial institutions but is facing opposition from the Congress party.

The kleptocracy that was UPA had led to a disappointment in the international community about the future of India. A hallmark of the current government's foreign policy has been the concerted attempt to dispel this image and to assure the global community that India will realise its true potential. The trust of the global community is vindicated by the ever-rising foreign direct investments (FDI) in India.

Social philosophy: When it comes to the social dimension of its programs and policies, the Modi government believes in scale, speed and the power of the mass movement to realise the objective of social upliftment.

Sanitation campaign under the aegis of 'Swachh Bharat Abhiyan' aims to provide a life of dignity and honour to the poor, irrespective of their religion, caste or gender. The 'Beti bachao Beti padhao' initiative of the government seeks to provide equality of status and opportunity to our daughters. The government has been successful in creating awareness and public participation. The Modi Government's stand in the Hon'ble Supreme Court in the matter of triple talaq flowed from its conviction that the practice was unconscionable and did a grave injustice to Muslim women.

Political philosophy: 'Sabka saath sabka vikas' - which loosely translates as a government that enjoys the support of every section of the society and that works for the development of all, is the credo of the Modi government.

The Modi government is not guided by narrow electoral considerations. The difference with the working of the Congress-led UPA is too obvious to be missed. The Congress government during the period of 2004-2014, tried to institutionalise the cleavages of the Indian society with the hope to reap electoral gains. It made all attempts to pass a 'Communal Violence Bill' that was manifestly against the Hindus as was the Right to Education Act which exempted only minority educational

institutions from its ambit, creating an incentive for various sects to dissociate from Hinduism. The UPA government has also constituted the Sachar Committee for Muslims and was trying to make changes which it clearly knew to be unconstitutional. A completely fabricated narrative by the name of 'Saffron terror' was sought to be developed by the Congress government in order to consolidate the Muslim votes.

The Modi government believes that responsive and effective governance also ensures electoral success. Thus, so far, as the government is concerned, it should respect the mandate of the people by focusing on doing its job. It also firmly believes that good economics is good politics. Unlike the earlier governments, the Modi government has not created any vested interest for a limited number of people in its continuation. The government has created higher benchmarks and an evaluation matrix for fixing accountability and is willing to defend its performance.

The success of the BJP in the state elections, since 2014, bear testimony to the fact that the Modi government is reaping political rewards for its work at the Centre.

(The author is National Spokesperson of BJP on economic affairs. The views expressed are strictly personal)