



Engaging discussion... (from left) Prof Subrata Mitra (Director, ISAS), Mr Rai, Prof Mehta, Mr Gopinath Pillai (Chairman, ISAS), Mr Thapar, Dr Tharoor, Mr Malik and Dr Bhalla.
PHOTO: ISAS

Two years of Modi

Indian intellectuals debate their PM's performance at Singapore event

SINGAPORE'S Orchard Hotel was the venue of an engaging panel discussion on May 26. The discussion was titled: India under Modi: A mid-term appraisal of the BJP government. It was hosted by the Institute of South Asian Studies, National University of Singapore.

Taking part in the discussion were some well known public intellectuals from India. Leading media anchor Karan Thapar moderated the discussion. The panelists were Congress MP Shashi Tharoor, former comptroller and auditor general of India Vinod Rai, president of the Centre for Policy Research Professor Pratap Bhanu Mehta, Distinguished Fellow Observer Research Foundation Ashok Malik, and chairman of Oxus Investments and senior India analyst of The Observatory Group, NYC Dr Surjit Bhalla.

Mr Thapar started the discussion raising the issue of secularism in India. He pointed out that in the last two years there was a common thread of intolerance in the country including beef ban and campaigns against anti-nationalism. He asked whether these were disparate unconnected events that happened coincidentally or was there a common thread to these troubling events?

"Stirring chauvinism and branding it as nationalism has gained national salience under Modi government," was Dr Tharoor's response.

Dr Mehta agreed. "The debate on tolerance will overshadow everything else because it is the lifeblood of Indian democracy." He pointed out that while the threat

of majoritarianism was grave, even more troubling to him was that there was no change from Congress to BJP in terms of governance and institutional reform.

"When Mr Modi came to power, the single biggest challenge India faced was a deep institutional crisis whereby most institutions of state had lost credibility," he said.

This trend has continued according to him. "Can we name even one institution of the state today that has improved in terms of credibility and governance, whether it is courts of law, CBI, National Investigative Agency, Parliament and even federalism. The answer is no."

Key themes

Besides secularism and institutional reform, a key theme that Mr Thapar probed was the difficulty Mr Modi faced in the passage of economic legislations in Parliament and his personal role in it as the leader of the ruling party.

"BJP held up Congress when it was in opposition and now Congress is doing the same. Is revenge sweet," he asked?

In response, Dr Tharoor was quick to point out that the obstructionism debate that Congress is accused of is excessive.

"BJP does not reach out enough and compromise enough to get things done."

An example he gave was the GST bill debate.

"They amended the GST for naked partisan political purposes. Their bill — if passed — would not even add 0.01 percent to the economy," said Dr Tharoor.

Mr Thapar also raised the issue of the wide gap between the macro and micro-economic picture of India. While the macro picture of Indian economy looks positive today — with the nation growing at 7.6 per cent, inflation at 5.3 per cent; current and fiscal account deficits under check and India attracting a record FDI last year of US\$51 bil-

lion — the micro picture points out that private investment is flat, bank lending is negligible; corporate growth and earnings have been slowly declining; consumer demand and job creation is also low.

Dr Bhalla responded that overall the economy was on a positive trajectory. While private investment has been low, public investment has risen in the last two years.

"The Indian economy when measured in terms of significant indicators including GDP growth and inflation has been the second best when compared to the last 20 years," he said.

Mr Mallik agreed. "Things are certainly getting better in India. This is a business-friendly government. Corporations are now less susceptible to cronyism and subjectivity. Also, the Modi government has fostered a genuine competitiveness between states for ranks of ease of doing business.

What is more important is where Indian states rank vis-a-vis each other, and not where India ranks with the world."

Mr Thapar then posed the issue of non-performing assets to Mr Rai. "This problem of non-performing assets is faced by many major economies across the globe and not restricted to India alone," said Mr Rai.

Analysing the cause of the problem in India, he commented; "Based on telephone calls made to the top government officials in the previous government, companies that mushroomed out of nowhere took loans from banks, set up infrastructure projects in which they had no domain experience, overleveraged themselves and found themselves in corporate debt restructuring."

He struck an optimistic note and commented that this trend is slowly being reversed under Mr Modi.

In October, India was ranked 130 in the ease of doing business by the World Bank, a jump of 12 spots. "If we can go up 12 positions that is a remarkable achievement. We need to certainly congratulate ourselves for it."