

**P**olitics in India, including that of the NGO sector, is highly polarized in every way. You are expected to be either firmly “pro” or steadfastly “against” on every conceivable matter — whether the issue is dams or disinvestment. It is the same with evaluating the performance of parties and governments. MANUSHI has tried its best to deal with each issue on its own merits and evaluate the performance of movements, parties, governments and other organisations on the basis of actual performance in diverse areas, rather than pass sweeping judgments and be automatically ‘anti’ or ‘pro’ any party or organisation.

In issue No.142 my article “The Unexpected Verdict” outlined the varied reasons for the well deserved defeat of the BJP led NDA government in the parliamentary elections of 2004 and describes how they messed up in important areas. While their defeat was in many ways a welcome development, it is important that we give the NDA government credit for some of the positive contributions that they made. In this second part, I discuss some major achievements and important breakthroughs. **We invite our readers to tell us if these two articles together provide a balanced balance sheet.**

### **On the Kashmir Front**

One of the most significant achievements of the NDA regime was the way they actively worked to help bring a larger measure of democracy to Jammu & Kashmir. They chose to combat secessionist terrorist politics with astute political moves rather than rely solely on the armed might of the state. They worked hard to try to establish better rapport with the people of Kashmir by giving them reason to hope that through a more democratic electoral process Kashmiris might play a major role in the peaceful resolution of the conflict. BJP leaders, especially Vajpayee and Advani,



### Part Two

## **On the Plus Side**

### **A Review of NDA Regime’s Performance**

○ Madhu Purnima Kishwar

played an active role in ensuring that Kashmir witnessed a free and fair election in 2002, which, for the first time, brought about some changes in world opinion in India’s favour. Before this, a military-ruled Pakistan subjected India to international humiliation by claiming India was trampling upon “people’s aspirations in Kashmir” and denying Kashmiris their right to self-determination. Successive Congress and National Conference regimes have repeatedly provided a convenient handle to the Pakistani military establishment to defame India for its human rights track record by holding rigged elections, or by toppling duly elected governments in Jammu and Kashmir if the concerned Chief Minister was not supine and servile enough.

The BJP not only ensured a free and fair election in J&K, it also had

the good sense to allow international media, and observers representing various governments and NGOs, to witness the entire election process. Let it be remembered that the Congress Party was extremely touchy about the mere presence of foreign media in Kashmir, which only strengthened international prejudice against India’s position and bolstered Pakistan. The international community assumed without weighing the full merits of the case that if it shut out the media it must be because India had a lot to hide.

In Kashmir, even though the People’s Democratic Party (PDP) entered into an electoral alliance and formed a coalition government with the BJP’s chief adversary, the Congress Party, Prime Minister Vajpayee, Home Minister Advani and Defense Minister George Fernandes gave the PDP-Congress coalition

support in practically every area because they saw PDP Chief Minister Mufti Mohammed Sayeed make a sincere attempt to remove some of the causes of terrorism and make a serious attempt to restore a healthy democracy. All the important measures he wanted to initiate or institutionalize towards his “healing touch” policy were supported with enthusiasm and an open mind. For example, the work on the railway line from Jammu to Srinagar was undertaken with determination and speed. The Centre acquired the requisite land and even ensured that compensation was paid within three months. This is perhaps the first time that there were no protests and resistance movements over acquisition of land for a development project. When the PDP government suggested that the Central Government should recruit local people in the armed forces stationed in Kashmir so that they had better rapport with the local people, Vajpayee, Advani and Fernandes speedily responded to this demand and brought new Kashmiri recruits into the Indian Army in significant numbers. Till then there was a strong bias against recruiting Kashmiri Muslims in the security forces because the Indian establishment feared they were likely to be sympathetic to secessionists.

During the last two years of NDA rule, seven new battalions of local Kashmiri youth, consisting of nearly 8000 men, were raised for posting at the border. They are called “Home and Hearth Battalions”. Knowledgeable people tell me this was the first time they witnessed such unprecedented enthusiasm among Kashmiri Muslims for recruitment in the Indian Armed Forces, including the CRPF and the BSF. There was widespread disappointment among thousands of those who had applied but failed to get selected. Many braved death threats by terrorists to



join the Indian Armed Forces. During all previous regimes, Kashmiri Muslims were extremely hostile to the idea of joining the Indian Army or being associated with it in any way. This mood change reflects the momentous nature of the breakthrough encouraged by the Vajpayee regime. The fact that one of the senior PDP ministers, Muzaffar Hussain Beig, risked the wrath of murderous secessionists by openly inviting Vajpayee to fight an election from Kashmir, assuring him that he would win, hands down, gives an idea of the kind of trust many Kashmiris came to repose in Vajpayee. This kind

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of sentiment is unprecedented in Kashmir.

By contrast, the manner in which the Congress is handling its alliance with the PDP has put its credentials in doubt. Congress leaders in J&K spend more time and energy attacking and embarrassing its coalition partner, often over flimsy or bogus grounds, than the opposition BJP, with the central leaders unable to impose discipline on its State level leaders. During the May 2004, election, the Congress failed to work out a seat sharing formula with PDP, with the result that an important seat in the Valley went to the National Conference. J&K Congress leaders were fairly unrestrained in their attack on the PDP, bringing their own coalition into disgrace. By contrast, Advani and Vajpayee ensured that neither the BJP nor even the lunatic fringe of the Sangh Parivar – VHP, Bajrang Dal, etc. – jeopardized the growth of democracy in J&K by attacks against the PDP led government.

The Vajpayee-Advani-Fernandes team also initiated a process of unconditional dialogue with Kashmiri separatist and terrorist groups, without whose involvement there can be no enduring peace in J&K. Till then the Government of India’s insistence that the dialogue could only be held within the framework of the Indian Constitution made it difficult for Hurriyat and other avowed secessionists to accept that as a pre-condition. When Vajpayee offered an unconditional dialogue, most Hurriyat leaders responded to this move with eagerness because it gave them a respectable entry point. In the process the Pro Pakistani *jehadis* like Geelani got automatically marginalized.

Everyone, including the Hurriyat leaders, knew that Vajpayee would not subvert the Indian Constitution to oblige the Kashmiri secessionists. But

by offering “unconditional” talks, he broke the deadlock that gave hope to Kashmiris and a good face saving route to moderate leaders. Thus, despite BJP’s past record of fomenting anti Muslim sentiment, its leaders handled the Kashmir situation far better than any other regime so far. Since the fate of Hindu Muslim relations in India is profoundly influenced by how Kashmiri Muslims define their relationship to India, winning the trust of large sections of Kashmiri Muslims was a significant achievement of the Vajpayee government.

Though human rights violations continued even after the formation of a popularly elected government in J&K, during the NDA regime we witnessed a welcome new trend of army commanders behaving with relatively greater responsibility, sensitivity and even some accountability to local opinion. They began accompanying high government functionaries, including the Chief Minister, to offer public apologies to families who suffered loss of life or property due to the miscalculations or wrongs committed by security forces. For example, when a young man was murdered after being picked up by the security forces for interrogation right on his wedding day, the Army commander of the area accompanied the PDP leaders to the village of the affected family and publicly sought forgiveness for the wrong by actually touching the feet of the dead man’s father. In addition, he promised that the Army would provide for the education of the younger brother. Such gestures had an electrifying effect on the local population.

The security establishment also ordered swift enquiries into many human rights abuses, and took action against erring officers, giving people confidence that redressal of wrongs was possible without resort to the

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gun. This is an important reason why public opinion in J&K moved steadily toward favouring democratic politics and began rejecting terrorist/secessionist politics. All this could not have happened if the Vajpayee government had not given clear signals that the Army must assist the civilian administration in restoring people’s faith in democracy.

Even a casual visitor can tell that ever since the Congress Party took charge, there is a growing pessimism among Kashmiri people about the future of the peace initiative. Confusing and contradictory statements are emanating from different sources within the United Progressive Alliance (UPA) government, with the Home Minister himself jeopardizing the talks with the Hurriyat by declaring the old *mantra* that the dialogue will only be held within the framework of the Constitution. This has demoralized the moderates and put them on the defensive vis a vis the hawkish Geelani, who is getting renewed support from Pakistan. The derailment of the peace dialogue has strengthened Geelani’s clout so much

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that he has been able to float a new Party and go on the offensive. To make matters worse, Congress leaders of J&K spend more time and energy attacking PDP, their own alliance partner, than combating either the opposition or the terrorists. Some of them seem to be actively collaborating with the discredited National Conference to damage the political base of the PDP. Thus the Congress Party’s Kashmir policy has caused a serious setback to the peace process initiated by Vajpayee.

### **The Naga Peace Initiative**

No less important is the BJP’s achievement in initiating the peace process in Nagaland, delegating the charge of these negotiations to people who worked quietly and diligently at confidence building measures with secessionist groups. As a result, Nagaland witnessed enthusiastic mass participation in the 2004 election, with a 91.7 percent voter turnout. During all the decades the Congress and other regimes were in power the elections were brutally rigged and this border state witnessed massive and gruesome human rights violations under Army rule.

The change brought about by the NDA is there for all to see. In the 2004 elections the terrorist, secessionist groups did not issue a call for a poll boycott. A BJP ally won the lone M.P. seat from Nagaland. The BJP involved not just the regional parties in the Naga peace negotiations but also the terrorist groups, including those operating from across the border. Crucial meetings were held in Thailand to assure the rebels that their demand for talks on “neutral” ground would not come in the way of the peace process. These dialogues for peace were at a very critical stage when the NDA was voted out of power. It is noteworthy that 99 percent of Nagaland’s population is Christian, and yet the BJP leaders rose above their traditional anti-Christian

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bias to bring a measure of peace with dignity to the strife torn state. This they did by following a soft and friendly approach, rather than by relying on the Army to quell the long drawn out rebellion.

This peace process in Nagaland is also on the back burner since the Congress resumed power. Given the ham handed way in which the Congress Party is currently handling the explosive situation in neighbouring Manipur, it is likely that the gains made by the NDA government will be similarly squandered. One can only hope and pray that the new UPA government follows in the BJP's footsteps and makes amends for the Congress' awful track record in dealing with Nagaland.

### **Peace with Pakistan**

The Pakistanis were truly bowled over by the kind of confidence Vajpayee displayed in his various peace initiatives with our pathologically hostile neighbour. This gave added confidence to Kashmiris who have come to believe that the Kashmir issue cannot be resolved without the active involvement of Pakistan. The fact that the entire Pakistani establishment, including General Musharraf himself, expressed disappointment at the election results, openly airing misgivings that the peace process between the two countries might be jeopardized following the unseating of Vajpayee, shows what kind of

rapport and confidence Vajpayee created in his dealings with Pakistan. One often heard Pakistanis say that if Vajpayee were to fight an election against their President or any other national leader, he would win hands down! Vajpayee's friendship moves were received with enthusiasm even within India. Shekhar Gupta, in an article in the *Indian Express*, astutely commented on how when Vajpayee undertook his peace mission through the famous Lahore Bus Yatra, he was able to generate such enthusiasm in the country that it appeared as if the whole nation rode with him on that bus journey. And yet, within a few months, when India was dragged into the Kargil war, the whole country -



including the Opposition — lent full support to the war-effort. In this context, it is also important to recall that during the Kargil conflict, the BJP leadership at the national level took care to prevent anti-Muslim sentiment building up in the country. This was a welcome change from its earlier track record of baiting Muslims at the slightest opportunity.

Not long after the war, when Vajpayee restarted the peace process by inviting Musharraf to Agra, he was able to mobilize widespread public sentiment in favour of peace despite Pakistan having sabotaged the peace process by covert military operations for surreptitiously capturing Indian territory. No less a person than the Congress Party's present Defense Minister, Pranab Mukherjee, has asserted in Parliament that the

Vajpayee government behaved very responsibly at the time of the Kargil intrusion. The BJP team proceeded cautiously and slowly in order not to escalate into a war and instructed the Army not to cross the Line of Control. This is especially credit-worthy considering that the BJP has a history of anti-Pak jingoism. Consequently, the Pakistani establishment was put on the defensive both on its home ground as well as internationally.

### **On the Communal Front**

The BJP deservingly continues to get a sound drubbing for its shameful handling of the Gujarat riots. However, we would do well not to forget that, during the entire NDA regime, we witnessed just one major outburst of communal violence in Gujarat, along with serious incidents of violence against individual Christian priests along with a campaign of intimidation of church functionaries in parts of India. However, the attacks on Christians were reduced a few months after widespread national outrage at the brutal murder of Graham Steines by a Bajrang Dal activist, Dara Singh. By contrast, during all the Congress regimes after Mrs. Indira Gandhi assumed power, there were many more large-scale massacres of Muslims carried out with the full participation of the police and paramilitary forces. The 1970's and 1980's witnessed an endless series of gruesome communal

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However inglorious the previous track record of the BJP on the Ram Mandir issue, the Vajpayee-Advani team succeeded in putting this contentious issue on the back burner, and in the last two years of their rule made serious efforts to solve the problem through dialogue and consensus. The negotiations for a settlement were being held without media glare. So positive was their direction that a universally respected figure, the Dalai Lama, offered to help mediate a settlement. Vajpayee also made an effort to reduce the nuisance value of the lunatic fringe of the Sangh Parivar, though he succeeded only partially because of his lack of firm and consistent handling of their hate filled campaigns. The likes of Vinay Katiyar and other VHP bigots felt marginalized and were kept dangling. It is possible that he might have succeeded in slowly defanging the most extreme elements of the Sangh Parivar, if he had stayed in power long enough in a coalition with his NDA allies, who were helpful in trying to keep the BJP on a tight leash.

### **Centre-State Relations**

Centre-State relations have seldom been as smooth as during the NDA regime. Most of the secessionist movements in the Border States were a direct product of the highly centralized system of governance, assiduously nurtured by the Congress Party, which put too much power in the hands of the Prime Minister's Office. The Janata Party and Janata Dal-led national coalitions paved the way for devolution of some powers to the states, but these coalitions remained unstable and directionless in most matters. The NDA government carried this process of devolution still further while managing a stable

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coalition with 23 parties. Most of the NDA constituents were regional parties. Therefore, regional demands and sentiments were given due consideration.

The Prime Minister and the Home Minister maintained a good personal rapport with Chief Ministers of even Congress or Communist ruled states. For example, even though the CPM at the national level was the most formidable opponent and critic of the NDA government, the Chief Minister of Left Front-ruled West Bengal, Buddhadeb Bhattacharya, had a very comfortable equation with the Central Government. This was also true of Congress Chief Ministers like S.M. Krishna of Karnataka, Digvijay Singh of Madhya Pradesh and Ashok Gehlot of Rajasthan, among others. There were no vindictive dismissals of Chief Ministers of parties opposed

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to the BJP. Neither did we witness violent outbursts of popular anger and protest against the Central Government, as was typical during Congress regimes.

### **Foreign Policy Initiatives**

The BJP's foreign policy deserves high marks for improving India's relations with western governments without losing the confidence of India's traditional allies. In the name of non-alignment, Congress Party foreign policy resulted in highly strained relations with the USA and with most western governments. Our undue tilt towards the Soviet Union led us, willy-nilly, to endorse even those policies of the Communist bloc, such as the invasion of Czechoslovakia in 1968 and Afghanistan in 1979 which not only strengthened an authoritarian regime, but also harmed India's own geo-political interests. The excessive pro-Soviet tilt also meant that the entire western bloc supported Pakistan against India on the issue of Kashmir even though Pakistan has a much weaker case on the matter than India. The BJP course-correction in this matter, along with the resolve to make India indulge less in pious rhetoric and be more vigilant about making alliances that better serve our national interests, have made the world take better note of India.

### **Economic Deals Prioritised**

Similarly, the establishment of a fruitful process for the settlement of the border dispute with China and other measures to increase economic cooperation with this giant of a neighbour ought to be seen as a significant accomplishment. In the pre-NDA days, we thought of China only as a potential geo-political threat, a formidable hostile military power with expansionist designs, which needed to be contained with the help of the Soviets. Apart from our border dispute, there was little engagement with our most important

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Asian neighbours. Rajiv Gandhi started the process of building bridges with China but it could not be taken far due to his untimely death. The BJP carried that process forward with vigour. It forged new arrangements, with economic partnership assuming centrality. Consequently, India and China are beginning to cooperate and emerge as an effective counterweight in international fora against western hegemony.

The BJP leaders also began to engage pro-actively with other Asian countries in a serious way and signed major economic treaties with several of them. Their efforts to seek integration with the dynamic Asia-Pacific region opened up many new economic opportunities for India. Before this, the various pre-NDA regimes paid scant attention to forging economic and cultural ties with these fast moving Asian economies. Thus globalization acquired new meaning by India moving away from an obsessive involvement with the West, that mostly too of a negative kind.

The Nehruvian worldview never aspired to anything more than India assuming the leadership of other Third World countries. Our diplomacy was confined to delivering moral sermons and political harangues to the wealthy nations and convincing the Indian people that the Western countries were all only evil exploiters who needed to be kept at a safe distance, lest they come and rob us again, as the British once did. This approach was incongruously combined with a policy of remaining dependent on Western aid money. By the 1980's, when India began to be



**Globalisers by conviction: Jaitley, Jaswant Singh, Yashwant Sinha and Shourie**

counted as a basket case, India had lost the moral clout it had acquired since the days of Mahatma Gandhi and Nehru as the fearless voice of developing countries. The convictions of the 1940's and 50's began to sound more and more like meaningless pieties and self-righteous harangues to cover up for the failure of India (and other similarly placed governments) to make life better for her citizens. As many of the Asian countries started doing better and the Gulf Oil Arabs became rich, there were hardly any influential allies or followers left who were supporters of India. We were beginning to be counted among the failed states and economies.

### **Global Aspirations**

As some BJP leaders developed global aspirations for India they also began to pay attention to the poor infrastructure in India. The rural roads project did not take off as well as did the Highways Project. But even the Highways Project by itself. One of the most significant development initiatives undertaken by the NDA regime is the National Highways Network, combined with the resolve to provide a network of connecting roads to villages. This in itself is bound to trigger off major economic changes. It should not be

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forgotten that the NDA government was building more kilometres of new road per day than previous regimes built in a year. This was combined with slow but significant improvement in ports. Unfortunately, after the NDA defeat the Highway Project is running seriously behind schedule.

We also saw a somewhat greater liberalization of the media with less censorship than before. The BJP may have bought over certain journalists. But, except in the case of *Tehelka*, they did not hound the press or punish papers that carried regular crusades against their policies as, for example, happened during the Emergency.

The broadcast media has bloomed in India in the last few years, with the advent of several private channels and open access to international TV networks. This too has played an important role in giving ordinary citizens of India a live exposure to the world outside which inevitably leads to higher aspirations and moving out of frog-in-the-well, third world mind set. Even though the NDA kept the government news channel, Doordarshan, totally servile, it did not indulge in open arm-twisting of private news channels.

With global aspirations, we also witnessed BJP develop the required expertise for geo-political, trade and other business negotiations in international fora. Jaswant Singh, Yashwant Sinha, Arun Shourie and Arun Jaitley made a formidable team, which did its homework properly and did not let myopic bureaucrats determine policy and marginalize India in world bodies. During the Congress

Party led reforms, the message people got from the government was that participating in the World Trade Organization was a necessary evil and the reforms were a distress response. The BJP went global with greater conviction: it proclaimed that isolationism was not good for India, while integration in the world economy could bring in big benefits, provided we played the game well. A major breakthrough came during the 2000 Doha negotiations when Murosolli Maran as India's representative showed the grit and determination to present India's point of view with clarity even when pitched against powerful voices. He did not toe the western line on agriculture and managed to get western nations to accept a major compromise in India's favour on drug licensing requirements for poorer countries.

By the time of the Cancun meet, the Indian team, led by Arun Jaitley, became an important force in forging the G-20 alliance, which made sure that the America and European Union countries did not succeed in ramming their interests down everybody else's throats. Impressed with India's negotiating ability, China followed India's lead. For the first time, we witnessed India play a pro-active and purposeful role in shaping the world trade rules with a clearer vision of India's real interests. Consequently, India has begun to be taken seriously in these crucial world fora. Unfortunately, in the Geneva 2004 negotiations, the Congress Party's Kamal Nath went without comparable preparation and yielded more ground than was necessary without winning adequate safeguards for Indian farmers.

### **Expertise in Negotiations**

The closed door bureaucratically controlled economy nurtured so assiduously by the Congress Party had meant that neither our bureaucracy nor our politicians cared or bothered to acquire the requisite

expertise for negotiating economic deals in the global arena.

Our foreign diplomacy was not seriously linked to safeguarding India's economic interests. Indian embassies rarely took an interest in promoting Indian exports and even less interest in the rights and concerns of the Indian Diaspora, even when the latter faced serious discrimination in the countries they had migrated to. The foreign ministry treated both our poor and our wealthy and well placed Non-Resident Indians with callous disregard, or with mistrust and disdain, as though their well being and economic and professional success were of no worth, or even a social offence. The

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NRI's were envied or despised. If they were poor migrant labourers, their health and safety were ignored; if they were better off and tried to invest in India, they were seen as unwanted, hostile intruders in the economy, and hounded out by threatened Indian businessmen with the active help of the government.

The Indian government actively discouraged them from investing in India, as though they were part of some foreign conspiracy. The few who invested were harassed to such an extent that most of them gave up. Poorer migrants working in the Middle East or Asian countries like Malaysia were treated with barely veiled contempt. They were harassed when they sought visas and passports, and fleeced and robbed every time they had to pass through the Indian consulates and customs. If they faced human rights violations in countries they migrated to, the Indian embassies

or the Indian government rarely offered them the required support or guidance.

The BJP changed that mindset and made the NRIs feel that they have a genuine stake in India. (Unfortunately, they also politicized them for deadly causes such as anti Muslim hate campaigns.) It is true that the wealthy elites of the USA among the NRIs received disproportionate attention while the poorer migrants to the Middle East who send back a much greater volume of foreign remittances were neglected. Yet, making efforts to get the Indian Diaspora to feel more closely connected to their homeland, and to strengthen both economic and cultural links with India, was an important course correction.

Thanks to the newly increased avenues for engagement, many internationally successful NRIs have begun taking an active interest in upgrading educational institutions and health care services, as well as seriously exploring business opportunities in India. In this they are not yet anywhere near playing the role that the Chinese Diaspora play in transforming the face of the Chinese economy, but an important beginning was made during the NDA government.

No big investments have poured in from these distant sons and daughters of India because the poor infrastructure, continuing red tape and unstable politics in India doesn't inspire enough investor confidence. Nevertheless, the new emerging equation with NRIs is significant because, if nothing else, the successful NRI communities have become effective lobbyists for India in their respective countries of domicile.

### **BJP's Shine: Real or Phony?**

Even though it is very fashionable to talk derisively of the BJP's "India Shining" campaign, it would be foolish to dismiss the achievements of the NDA government in creating

an upbeat mood in the corporate sector. Those who contemptuously dismiss the “India Shining” imagery used by the BJP seem unaware of the kind of disdain India was being treated with when people saw it fall behind most other Asian countries. In the last few years, many world powers have actually begun to take note of what India says and does. True, the interests of poorer sections did not receive adequate attention during the NDA regime, but neither did that happen during the Congress regimes. In the early years, the NDA showed undue haste in opening up the Indian market to First World farm produce – especially fruits – but very soon it began to take the interests of the farm sector more seriously, at least in international trade negotiations, if not at home. Moreover, it did not discourage farm exports with as much vigour as the previous regimes, and it did not itself import wheat or rice to beat down the price of Indian farm produce.

Reforms for the farm sector and a loosening of bureaucratic controls on agriculture were not taken up with the urgency and speed that they deserved but a small start was made and certainly no new draconian restrictions on the farm sector added during the NDA regime. Up to the time the NDA came to power, we had witnessed powerful farmers’ movements in different parts of the country, protesting against the repressive policies and the draconian laws that forced farmers to sell their produce at artificially depressed government controlled prices. Endless *rasta roko* agitations, *dharnas*, mass *gheraos*, *lathi*-charges and firing on protesting farmers characterised relations between agriculturalists and the Centre from the 1970’s onward. We saw far fewer agitations by farmers during the BJP regime than during any other in recent

decades. Even though the NDA government failed to give adequate attention to the reforms needed in the farm sector, yet it was not as aggressive in crushing farmer’s demands as the earlier regimes.

### **Confidence in Competition**

The BJP no doubt spent a disproportionate amount of time and energy attending to the demands of the corporate sector and celebrating its successes. However, the energy they generated in the corporate sector is likely to have several positive benefits in the long run. The NDA regime began changing our mindset, of seeing ourselves as primarily a poor Third World country that constantly put all the responsibility for our poor performance on the Western world, rather than face our own failures and mismanagement.

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The major paradigm shift during the NDA regime was the desire to compete with the successful and to set First World bench marks for economic performance for Indians, rather than accept our poverty and economic backwardness as a god given, unchangeable fact.

The BJP brought new prestige for India because it gave small but significant sections of the more agile Indian entrepreneurs more room to operate. It allowed them to start to compete with the best in the world and succeed dramatically in some niche areas.. At the start of this economic reform process, we were

told Indian industry would collapse in the face of international competition. Today, we witness Indian companies in some sectors acquiring foreign companies and emerging as successful multinational corporations. Let us not forget how frightened our industrialists, including the big guns like the Birlas and the Ambanis, were at the prospect of facing global competition when the Narasimha Rao government hesitantly launched the first phase of economic reforms. They ganged up against liberalization because they feared they would be wiped out if denied a safe and protected market within India. However, this mood changed during the BJP regime because the government sent clear signals that it wanted the corporate sector to flourish rather than as usual to keep it on a tight leash and duly subservient to the government.

Hitherto all post-independence governments in India projected wealth generation in any form, whether through agriculture or industry, almost at par with anti-social activity. The wealthy were usually characterised solely as exploiters of the poor, whose search for profits must be kept in check through the iron fist of the bureaucracy and the political class. As a result the most significant group of people who amassed real wealth without doing any work were precisely the very *netas* and *babus* who, in the name of socialism and pro-poor sloganeering, condemned Indians to a life of scarcities and poverty. Meanwhile, their own huge fortunes gained from bribes and corruptions were stacked in illegal accounts, many of them in foreign banks.

### **Celebrating Wealth Creation**

The BJP, though not less corrupt than the other political parties, made a determined break with this hypocritical lip service to the cause of the poor, and began celebrating India’s entrepreneurial spirit. Even though the



bureaucratic stranglehold on industry and enterprise was not altogether removed, it was somewhat loosened and, with each small step in the direction of economic freedom, people began to apply pressure for more. This gave the corporate sector a new sense of self worth, confidence, and self-respect. It even began making demands of the government rather than appearing before ministers and bureaucrats as a mere supplicant, as it had long been trained to do during earlier regimes. The loosening of controls was rapidly accompanied by some successes in the international market – India has actually become a new global player, albeit a tiny one in comparison to China. And the ordinary citizen also benefited from the new opportunities in the economy. Prices of essential commodities remained stable and inflation was more under control through most of the NDA rule. After the NDA defeat, inflation has increased while the markets remain depressed because there is no clarity about the direction that the UPA government will follow.

Anyone who thinks India can move out of the poverty trap without a rapid growth of the industrial sector is living in a fool's paradise. Today 65 percent of our people are engaged in agriculture. This, in effect, means that two people's labour is producing enough food for just one extra person. This is a very inefficient way of organising an economy. In the US only 2 percent of the population feeds not only itself, but has enough to export and even to dump. In Europe, the proportion of people in the farm sector is not more than 3 to 5 percent. We would do well to remember that the British condemned India to poverty by destroying its flourishing industries and by forcing a very large proportion of our people (80 percent at the time of Independence) to be dependent on agriculture, which became poverty ridden due to overpressure on land, among other reasons. India needs to invest heavily



**Modi: BJP's deadly deadweight**

in irrigation, transportation, and in capital intensive industries to allow its farmers to produce more for its people. It requires even heavier investments in infrastructure, health and education if their living standards are to improve faster. And these investments must be kept out of sarkari hands as much as possible.

Those who think that the making of a self-confident business class is a small achievement are living in a warped world. Any society where the wealthy feel powerless, where the rich are accused of being anti-social if they seek to make profits, where entrepreneurs are actively prevented from growing their businesses to the most efficient scale for fear of being victimized by the rent seekers in the government, where even honestly earned money has to be

**Any society where the wealthy feel powerless, where the rich are accused of being anti-social...where even honestly earned money has to be hidden from the government...the economy loses vibrancy and gets to be dominated by criminals and mafia dons.**

hidden from the government – such a society is one in which the economy loses vibrancy and gets to be dominated by criminals and mafia dons. The small but steady pace of economic reforms has reduced somewhat (in a few areas) the power of *thugs* over our industry and made the corporate sector gain a bit of self-confidence. This has helped bring a small but steady flow of foreign investments. Even Congress Finance Minister P.Chidambaram has admitted that he is lucky to have inherited a relatively healthy economy and an unprecedentedly comfortable \$110 billion in foreign exchange reserves (though such a surplus is also a sign that India is not easing its government tariffs and other trade restrictions on a bilateral basis fast enough.) As a result, for the first time, the leadership of the corporate sector is beginning to move into the hands of entrepreneurs like Azim Premji and Narayana Murthy, who believe in making profits through honest entrepreneurship independent of government patronage. They have become the new icons of success for our educated youth. For the first time, we also witnessed the leading lights of the corporate world begin to take a real interest in the problems of rural poverty and think of ways of providing educational opportunities to children of poor families, for provision of clean drinking water in villages, investing in primary health care projects and carrying out improvements in social infrastructure. Some of them have begun to set up trusts, foundations and think tanks to help find hands-on solutions to these issues; A few have also showed an interest in improving governance for the common citizen in India. A society progresses when its elite feels some sense of responsibility for the collective well being of all sections of that society, especially the vulnerable and the poor. If the elite do not have a vision that goes beyond self-

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interest and self-aggrandizement, then that society becomes rudderless. Once the Indian elite get out of their Third World mind set and become desirous of First World standards for India, they can make a significant contribution toward our efforts to help create a decent quality of life for all citizens by improving the social infra-structure. Already leading business houses have started taking small steps toward improving government schools, sanitation and other civic amenities for the poor. Many are seeking partnerships with the government as well as creative NGOs in building new institutional mechanisms to provide necessary services to the poor. The small beginning made in this direction is likely to blossom only if government policy continues in the direction of providing business houses a dignified environment for growth without resorting to bribery and thuggery, as well as providing the required space and freedom to demonstrate their social responsibility.

### **A Well Deserved Defeat**

However, despite all the above mentioned positive contributions, the NDA defeat was in many ways well-deserved, as discussed in my last article. I recap some of those points again:

- Levels of corruption rose to new heights during the NDA regime. Key members in the Prime Minister's Office were widely perceived as being involved in extortionist deals and various unsavory and even criminal acts.

- The vision of reform remained confined to a select few top leaders in the BJP hierarchy. Most BJP leaders – whether at the national, state or district level — neither understood nor cared for the reform process. They saw their coming to power as an opportunity to mint money and exercise unrestrained control over the patronage dispensation. That is why the reform process remained stunted and produced very limited results.

- While Vajpayee tried to marginalize the lunatic fringe of Hindutva and Advani too tried to rise above the negative image he had acquired thanks to the Muslim baiting Ram Mandir campaign, too many BJP functionaries did not appreciate or accept the new emphasis on development and reform issues. Therefore, the new direction of BJP politics was dependent on a handful of top leaders, rather than reflecting a broad consensus. Even the top leaders who played a positive role in Kashmir shamelessly dilly-dallied when it came to dealing with the Gujarat pogroms. The manner in which the Narendra Modis of BJP flaunted their ability to wreak vengeance on Muslims gave the message that the BJP could easily go out of hand if it acquired more power. This cancelled out their positive actions in other areas.

- Had the BJP won the 2004 election, the Narendra Modis within the Party would have felt more emboldened. Any further strengthening of such elements would have spelt disaster for India in every way and made it impossible for the likes of Vajpayi to give further momentum to reforms agenda.

- Key members of Sangh Parivar the RSS-VHP-Bajrang Dal-Shiv Sena, remained trapped in their phobic fantasies whereby they would rather produce an army of Osama Bin Ladens than work for a prosperous, plural and liberal India. The crude manner, in which the RSS went about capturing key posts in educational and cultural institutions, if continued, would have caused incalculable damage to the already malfunctioning educational sector in India.

- The NDA failed to take any meaningful steps towards reform of the police, judiciary and other arms of the government that are supposed to deliver public services. Consequently, they had no effective delivery mechanism, no agency to implement their reformed policies with sincerity. Corruption and high handed acts of the government machinery continued without a check. This combined with the arrogance of its local leaders robbed the BJP of credit even where it was due.

### **Irresponsible as Opposition**

Today BJP leaders appear totally disoriented because of their unexpected defeat. They seem unable to adjust to their new role as though they had come to believe that they were destined to rule forever. They are behaving very irresponsibly as an opposition. They have organised various *chintan baithaks* (review

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meetings) but not yet come up with a realistic appraisal of their own performance – their strengths or their weaknesses.

The BJP had rode to power not on the strength of any positive agenda but a countrywide anger and disappointment at the policies followed by the Congress Party, especially after Indira Gandhi's rise to power. One hopes, the Congress Party has learnt the required lessons from both the successes as well as the defeat of the BJP and will not repeat its past mistakes which might bring back to power a BJP dominated by Narendra Modis and Ashok Singhals instead of Vajpayee. □