Intensive debates wade in between Indian Prime Minister Narendra Modi and Dr Manmohan Singh with regard to their reforms and governance to reshape the Indian economy in the wake of the forthcoming general elections in early 2019s. Arguably, Mr Modi is not a radical reformer, as he seems. He is the great accelerator of the reforms erstwhile made, by putting them into action. Against this, Dr Singh is vouched for a great reformer, by letting the country into a turnaround from a closed economy to open economy.

Mr Modi is a great administrator. The report card of his four years of governance envisages that he is more laudable in administration and bureaucracy than in economic reforms. Nonetheless, he ushered the country into high growth trajectory and bolstered it into the highest global growth trend, surpassing China.

With an absolute majority in Lok Sabha, high hopes loomed large for reform-oriented planks, which would make a corruption free society and bring "Achhe Din" in the country. But soon the hopes belied. The land and labour reforms, which were big-ticket reforms mandated, failed to fructify due to unbalanced number games in the houses of Parliament. The endeavour was made to bring the reforms through State legislation. Only a few were successful to attract the investment by these reforms. At World Economic Forum, investors bemoaned the absence of any big-ticket reform.

Mr Modi has not come with many big ideas of his own. Half of his major reforms were the culmination of reforms, whose seeds were sown during the UPA government. Adhar – the identification of billions' of Indians – was created in January 2009, under the then Prime Minister Manmohan Singh. GST – the national uniform tax system and the first major taxation reform – was first seeded under Prime Minister Rajiv Gandhi in 1985.

Mr Modi is known as a quick fixer to address the chronic problems of administration. He pitched for Minimum Government Maximum Governance. He coaxed the Japanese investors by committing red carpet, instead of red tape. That is the plank of his reforms. He reduced multiple channels for taking a decision. He dissolved a large number of Cabinet Committees which were overlapping. He reduced Cabinet Committees from 12 in UPA to 6, letting the decision making the process faster. Cabinet Committees are the highest body for decision making in the country.

His major attempts for economic reforms can be seen through the lenses of procedural simplifications and faster implementation of the policies. He introduced *Jan Dhan Yojana*, a scheme to cover a larger part of people in the banking system. Over 70 percent of the population was brought under banking system, which was hitherto limited to 32 percent in 2013 under UPA. He introduced Indian Banking Code, which will address the bad debts and faster debt recovery, by replacing multiple regulations with a single law. He opened up various sensitive sectors expeditiously to allure foreign investors, scrapping the caps for investment. He cleaned off the messy regulations of factory law by scrapping the multiple systems for submitting returns into a single format, with an eye to expedite his Make in India initiative.

In nutshell, his challenges were to seize in the hard bargain with bureaucrats to put the hitherto reforms into fast tracks. Resultantly, ease of doing business sparked and the business corruption subsided. It helped the nation to leapfrog in high growth trajectory. GDP growth surged from 6.4 percent in 2013 to 7.4 percent in 2016-17. The growth subverted the much-hyped paranoia of demonetization and GST, which were the potential salvos of the oppositions. The average annual growth rate of GDP during the four years of NDA was 7.3 percent as against 5.3 percent under UPA.

Undoubtedly, in the race of reforms, Mr Modi is left much behind of Dr Manmohan Singh. Mr Singh indulged in radical economic reforms, driving the country into a turnaround from a closed economy to an open economy paradise. He dashed the Indira Gandhi socialistic pattern of the economy into a dud. He dismantled the License Raj – the cudgel to desist the private sector to play a key role in the economy and empower the public sector. He reworked the industrial and trade policies, abrogating the licensing requirements. He opened up the economy more to the private sectors and foreign enterprises and gave rebirth to Indian stock market.

Mr Singh indulged in radical economic reforms, driving the country into a turnaround from a closed economy to an open economy paradise. | Image: Scroll

Dr Singh enlivens the service sector by ceding several tax concessions. Software companies sprang up, placing the country as a pivot for global software exports.

Notwithstanding Modi's slow pace in economic reforms, India emerged globally as a competitive destination for doing business. According to Global Manufacturing Competitiveness Index (GMCI) 2016, by Deloitte survey, India was foretold to outbid China in low-cost manufacturing competitiveness in the next five years. According to the survey, while China will lose the powerhouse of low-cost manufacturing competitiveness, the Mighty Five – the five Asia Pacific nations, Malaysia, India, Thailand, Indonesia and Vietnam – will emerge the choice for low-cost manufacturing in place of China. India will be the frontrunner with four countries chasing behind, the survey said.

India was placed on the rising curve for global ease of doing business. It ranked up from 142 in 2013 in World Bank' Ease of Doing a Business annual survey to 100 in 2017.

FDI surged during Modi regime. It doubled from the US $ 22 billion in 2013 to the US $ 44 billion in 2017. India had never seen such boom in FDI during Manmohan era, despite he was ascribed as the main architect for economic reforms and opening the door to the foreign investors.

Mr Modi was a pioneer in reforming subsidy less growth. He dismantled the subsidy base diesel price mechanism. Diesel oil is an important component for transporting daily essentials, particularly food items, to the market. With the dismantling of diesel oil subsidy, diesel prices increased in proportion to global oil price hike. Food items are generally the triggers for inflation. In contrary to parallel impact, inflation hovered at low ebb, around 4 percent by CPI, which is well within the comfort zone.
The chemistry between reforms and growth suggests that barely reforms cannot be a harbinger for growth. Reforms need to be rolled out in the implementation. Surely, Dr Manmohan Singh was the pioneer to open the economy. But, the messy road prevailed for the growth. Mr Modi's strong-handed tackling of red tape inflicted bureaucracy and implementation of the reforms, catalyzed for a better outcome.

The first sign of the impact was reflected in the Indian stock market. The annual average of BSE Sensex of 30 companies surged to 27, 639 during 2014-15 to 2017-18, against the annual average of 16, 145 during 2006-07 to 2013-14. This represents that outcome of reforms were stymied by lack of implementation during the UPA period. Reforms remain a paper tiger without implementation.

Subrata Majumder is an adviser to Japan External Trade Organization (JETRO), New Delhi, and the author of "Exporting to Japan," as well as various articles in Indian media, including Business Line, Echo of India, Indian Press Agency, and foreign media, such as Asia Times online and Eurasia. he wrote this article originally for the Eurasia Review

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