

India's trysts with destiny

Prime Minister Narendra Modi, who arrives in Singapore today to mark 50 years of India-Singapore ties, inspires confidence for three reasons

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At midnight on Aug 15, 1947, India gained its independence after two centuries of British rule. This had been preceded by three centuries of Mughal rule. The people of India had waited for more than 500 years to be the masters of their own destiny.

Speaking at that midnight hour, India's founding Prime Minister Jawaharlal Nehru declared that India had a "tryst with destiny". Nehru united the country with his vision, charisma and eloquence.

He elevated the status and role of India in the community of nations. He left India with a positive legacy of democracy, rule of law and secularism.

Under Nehru, India did not however achieve great economic progress. This was due to the fact that Nehru had pursued an economic policy which was based on socialism and state planning. The economy was inward-looking, the role of the public sector was emphasised over the private sector and decisions were made by bureaucrats instead of the market. The result was that India grew very slowly, at a rate which came to be known as the "Hindu rate of growth".

SECOND TRYST WITH DESTINY

In 1991, India was faced with an economic crisis. Inflation was 13 per cent and rising. The current account deficit was running at US\$10 billion and the foreign exchange reserves were enough to fund only two weeks of imports. The external debt was 250 per cent of exports.

In the face of that crisis, the Congress Party appointed a veteran politician, Mr P.V. Narasimha Rao, to lead a minority government.

He appointed a former governor of the Reserve Bank of India, Dr Manmohan Singh, as his Finance Minister.

In the next two years, Dr Singh dismantled some of the worst features of the Nehruvian economic model. Narasimha Rao and Manmohan Singh saved India from the brink of economic collapse. More importantly, they started India's second tryst with destiny.

Their legacy of economic reform and opening the Indian economy to the world was accepted and built upon by the subsequent administrations of Prime Minister Atal Behari Vajpayee and Prime Minister Manmohan Singh. However, in Dr Singh's second term as prime minister, the government's focus was distracted by a series of corruption scandals and the drive for reform lost momentum. The country cried out for a new leader and a new tryst with destiny.

THIRD TRYST WITH DESTINY

The world had come to expect that elections in India would not produce a winner with a majority in the Lok Sabha. Instead, we had become used to the idea that India would be ruled by coalition governments. The results of the elections last year were therefore beyond expectations. Under its charismatic leader, Mr Narendra Modi, the Bharatiya Janata Party secured a majority of the seats in the Lok Sabha. It could therefore rule India without having to depend on the support of unreliable coalition partners.

Will Prime Minister Modi be able to rekindle the hopes of the 1990s and launch India along a trajectory of sustained high growth for the next decade? Will Prime Minister Modi be able to complete the agenda of economic reform begun by Prime Minister Rao? Will he succeed in transforming India into a country which is easy to do business in? Will he succeed in translating the slogan, "Make in India", into building a competitive manufacturing sector in the Indian economy? Will he succeed in turning his slogan, "100 Smart Cities", into an urban policy of liveable cities and sustainable urbanisation?

CONFIDENCE IN MODI

The confidence Singapore has in Prime Minister Modi is based upon three factors.

First, it is based on his track record as the chief minister of Gujarat. During the close to 13 years that he ruled Gujarat as chief minister, he was highly successful while remaining non-corrupt. His slogan was "less government, more governance". He reduced taxes and regulations. He invested in roads, irrigation, education and healthcare. He promoted the growth of the manufacturing sector in addition to agriculture. His success in Gujarat can be seen in the reduction of poverty in that state. In 2004-2005, 31.8 per cent of Gujarat's population lived below the poverty line. By 2011-2012, the percentage had fallen to 16.6.

Second, our confidence in Prime Minister Modi is based upon his record of integrity and good governance. Corruption is one of India's challenges. Prime Minister Modi's personal record of integrity and his demand for good governance are exemplary. Good governance will improve India's business environment and the confidence of investors. Good governance will improve economic efficiency. Good governance will improve the lives of the people of India.

Third, we like the Prime Minister's focus, discipline and ambition for India. In order to galvanise the people of India to believe in themselves, we need an inspiring leader like Prime Minister Modi. We also need an Indian leader who prioritises development over everything else. During the election campaign, he said that India needed development more than deity. He also said that India needed toilets more than temples. This was remarkable coming from a person who has often been described as a Hindu fundamentalist.

Singapore has confidence in Prime Minister Modi. This confidence is reflected in the fact that, after Mauritius, we are the largest foreign investor in India.

We are helping India in skills development and city planning.

Our private sector has invested in India's logistics, energy, industrial estates, water, seaports, airports, manufacturing and services, etc.

Our bilateral relations are comprehensive and multi-faceted. Our leaders enjoy a high comfort level based upon mutual trust and confidence. We are confident that during his forthcoming visit,

Prime Minister Modi and his Singapore counterpart, Prime Minister Lee Hsien Loong, will agree to raise our relationship to an even higher level.

Singaporeans of all races extend a warm welcome to Prime Minister Narendra Modi.

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