

## **How Modi should ensure India sees 'acche din'**

By Sanjeev Nayyar

May 21, 2014

To read in Slide show format <http://www.rediff.com/news/slide-show/slide-show-1-ls-election-how-modi-should-ensure-india-sees-acche-din/20140521.htm>

### **Sanjeev Nayyar chalks out a detailed six-point agenda for the new National Democratic Alliance government led by Narendra Modi.**

Here are some ideas on what the National Democratic Alliance government can do to help India realise its potential and increase the gross happiness index.

A few key words include 'remove supply side constraints, increase supply of quality infrastructure, expenditure to result in creation of assets, make India a unified market, professionalise public sector units, create an ecosystem for quality higher education, restructure Food Corporation of India, target subsidies efficiently, love your farmer, indigenous production of arms, Buddhist circuit and reintegrate the north-east with the rest of India'.

#### **Economy**

Increase supply of electricity even if at higher rates. Extend the Jyoti Gram Yojana, successfully implemented in Gujarat and Madhya Pradesh (providing separate lines for home and farmers along with committed but limited power to draw groundwater), nationwide.

Penalise states that supply free power.

Learning's from states that increased agricultural growth significantly to be shared nationwide as also the virtues of drip-irrigation. Also, cause and ill-effects of depletion of groundwater in Punjab and Haryana must be addressed. A short to long term implementation plan to increase the area of agricultural land irrigated should be prepared in consultation with the states. We need a sustained program on water conservation and management.

“Currently the Agricultural Produce Market Committee Acts require buying and selling of agricultural products to be done through regulated markets, with mandated fees to be paid to market committees. Also, there is a lack of harmonisation of indirect taxes on agricultural products across states”.

(<http://blogs.economictimes.indiatimes.com/policypuzzles/entry/policy-distortions-hurt-agriculture-policy-distortions-hurt-agriculture>)

Simply put the current system does not allow farmer to realise the best price, hence needs to change.

The policy of FCI buying food grains in excess of buffer and public distribution must be reviewed. Minimum Support Price to be made effective for pulses and oilseeds, where demand exceeds supply.

*'Love your Farmer' should be new buzzword.*

In rural India focus on water harvesting, renewal energy, sanitation and planting trees. Promote house-hold level bio-gas units and a twin pit water seal sanitary facility. To know more <http://www.grassrootsindia.com/meettheguild.html>

Oil marketing companies should be allowed to set up 100 percent ethanol plants in water-rich states like Bihar. This would generate employment and reduce country's import bill when ethanol is blended with petrol in the mandated ratio of 5 percent.

Bottlenecks in high employment sectors like garments must be removed. Work closely with states to reform labour laws. Create a framework that motivates setting up, on an all India scale, of vocational training schools.

Initiate large projects like construction of highways, laying of rail track and sanitation facilities.

The capital goods import during NDA averaged about \$10 billion a year. It amounted to \$587 billion in nine years of the United Progressive Alliance rule. Create and protect capital goods industry. Build capability to manufacture telecom equipment (Read ['Should India's telecom backbone be made in China?' \(http://www.business-standard.com/article/opinion/the-foreign-spine-113051501140\\_1.html\)](http://www.business-standard.com/article/opinion/the-foreign-spine-113051501140_1.html)) and impose duties to protect domestic power equipment industry.

Government policies should create a telecom industrial complex which makes an Indian equivalent of Chinese Huawei ([Read the report here - http://www.rediff.com/business/slide-show/slide-show-1-how-to-create-indian-huaweis-and-ztes/20101117.htm](http://www.rediff.com/business/slide-show/slide-show-1-how-to-create-indian-huaweis-and-ztes/20101117.htm))

A 2011 commerce ministry strategy paper stated "The burgeoning imports of edible oils, pulses, fertilizers, coal and now iron ore, even cell phone instruments, have all benefited from domestic industrial policy, which at best was negligent, or worse, downright hostile" ([Read report here http://www.livemint.com/Opinion/rGFgGipw0KJqiwa3QKNHXP/Fixing-the-current-account-deficit.html](http://www.livemint.com/Opinion/rGFgGipw0KJqiwa3QKNHXP/Fixing-the-current-account-deficit.html)).

A friendly industrial policy especially for small and medium enterprises must be announced and encourage professional service organisations to help MSME's scale up.

Create a transparent and functional policy for exploitation of natural resources that benefits all stakeholders namely central and state governments, local community and environment. It is important that corporates do not unjustly enrich themselves as in the case of 2G scam and coalgate.

PSU's like Coal India should be further professionalised and asked to deliver or face privatisation. Reduce political interference in banks. At the same time PSU's should not be made scapegoats for the inefficiencies/agendas of private companies.

Diesel subsidy should be phased out over the next 6-9 months with no subsidy for petrol. Excise duty on SUVs must be increased.

LPG subsidy must be provided to poor and those in hilly border areas. Increase the income exemption limit from Rs 2 to Rs 3 lakhs.

Tax rates for individuals earning in excess of Rs 1 crore should be progressively increased and an investor friendly way found to enhance tax revenues from equity market.

Income of the Board of Cricket Control for India should be taxed.

Housing co-operative societies that do not provide club facilities to residents should be outside the service tax net. Importantly, simplify direct tax laws.

According to a 2014 Forbes India [report](http://forbesindia.com/graphics/world-watch/how-much-international-students-are-really-worth/23662) (<http://forbesindia.com/graphics/world-watch/how-much-international-students-are-really-worth/23662>), Indian students are spending Rs 27,000 crores to study abroad. Imagine the multiplier effect of this spending and contribution to current account deficit. The regulatory framework for higher education needs to be revamped so that students find it attractive to study in India.

Shares of blue chip PSU's like ONGC, Coal India, BALCO must be sold to generate resources and wealth in hands of citizens. Import duty on gold must be done away with, in two phases, over say the next 6-9 months.

Foreign Direct Investment is welcome, in areas where India is lacking in capital or technology. FDI in single brand retail is ok if there is significant value addition in the country.

Repeal laws, passed in the 19th and 20th centuries, which have irrelevant. Change dress code for lawyers to what is suitable for Indian weather conditions.

Intent is to increase supply and reduce unproductive expenditure, pre-requisites for a fall in inflation and interest rates.

Cash is king means India needs high economic growth, lower fiscal/current account deficits and surge in per capita incomes. Further, the rupee dollar exchange rate should not be seen as a symbol of national honour but as a reflection of difference in inflation rates.

## **Defence**

The Indian military is carrying huge shortages of critical ordnance. Deficiencies of equipment like 155m *Ultra Lightweight Field Howitzer* and Light Utility Helicopters cannot be ignored any longer. Acquisitions need to be fast tracked ([Read report here \(http://www.indiandefencereview.com/news/aggressive-chinese-designs-and-indias-utter-timidity\)](http://www.indiandefencereview.com/news/aggressive-chinese-designs-and-indias-utter-timidity)).

Give preference to indigenous production involving Indian firms or joint-ventures.

Special importance must be given to resolving issues of ex-servicemen. Need a compassionate, problem solving approach.

Devise a policy framework that creates a level playing field for private and public sectors. Lay down a roadmap on how percentage of indigenous defence production doubles in seven years.

Corporatise the ordinance factories, empower and assist them. They just might turn out to be our hidden jewels.

Create a new ministry for defence procurement and production, place people with domain expertise and co-opt reputed private sector companies in long-term procurement plans.

Allow companies to export arms -- helps maintain competitiveness. Leverage and intertwine arms exports with foreign policy.

Have a defence company i.e. the equivalent of ONGC Videsh Ltd which buys plant/technology from the west to then set up manufacturing facilities in India.

All this will generate employment, boost foreign exchange reserves and increase GDP.

Area beyond Zojila Pass comprising Kargil and Ladakh to become a Union territory for an interim period of five years before becoming a state. Deeper intent is development, build border infrastructure and increase human happiness index.

Like Ladakh Scouts, have Arunachali Scouts. Former Governor of Arunachal Pradesh, Gen J J Singh, had started it. Two batches passed out so far. A local who knows the terrain and dialect, is better suited to deal with incursions.

Where Border Roads Organisation has failed to deliver, involve reputed private companies like Larsen & Toubro to build border roads. Focus on Ladakh and Arunachal Pradesh.

Co-opt the armed forces into brainstorming sessions on defence strategy and external affairs. Arm forces with the knowledge of Chanakya's *Arthashastra*.

*Love your jawan and trust your generals.*

Review the sanction given to dams in fragile areas of Garwhal and Arunachal Pradesh. Cannot have a repeat of June 2013 disaster -- disillusionment of local population in a border state has security implications.

### **Foreign Affairs**

Stop preaching to the world about merits of democracy and *ahimsa*. Idealism is out, national interest is in.

India must have an integrated strategy to deal with China that encompasses trade, internal and external security, border management and military build-up. Make it clear to China that relations with India and access to her market would be affected by supply of arms to Pakistan/local insurgency groups. To read 17 ways to take on an aggressive China ([Click here for more http://www.rediff.com/news/slide-show/slide-show-1-seventeen-ways-totake-on-an-aggressive-china/20130523.htm](http://www.rediff.com/news/slide-show/slide-show-1-seventeen-ways-totake-on-an-aggressive-china/20130523.htm)).

Like former Prime Minister Indira Gandhi, Modi must visit the Tawang monastery in Arunachal Pradesh.

India must define its sphere of influence and then provide all needs of those countries be it arms, development assistance etc.

As part of its Look East policy and strengthening ties with the Buddhist World, India must build an Expressway between Patna and Bodhgaya. Make Bodhgaya and Kashi/Sarnath world class towns so they showcase India's rich heritage.

In phase two create a "Buddhist Circuit". A 8-lane expressway linking Lumbini (Nepal)-Bodhgaya-Sarnath-Kusinagar-Sravasti-Rajgir-Sankassa-Vaishali with international airport connectivity. Have a visa-free regime for devotees from Buddhist countries.

Develop closer political-defence ties with Japan and Vietnam. Importantly, Look East policy should be a consistent part of India's foreign policy and not with intent to contain China.

Strengthen ties with Russia and overlooking events of the immediate past, re-engage the U.S.

According to a 2012 [report](http://archive.thedailystar.net/newDesign/news-details.php?nid=219287) (<http://archive.thedailystar.net/newDesign/news-details.php?nid=219287>) in *Dailystar Dacca*, 1.5 million cows worth \$500 million are smuggled into Bangladesh every year. Also, export of cattle to Pakistan needs to be stopped. At the same time trade and transit to be encouraged -- Bangladesh needs to be convinced of how investments from India can generate jobs and reduce poverty.

Laws and implementation for identification of Bangladeshis needs to be strengthened and a dialogue with Bangladesh started. Porous borders in West Bengal and Assam to be well guarded to avoid further infiltration.

As and when ancient temples in south east Asia are damaged offer requisite technical assistance to repair them. (For e.g. world famous Prambanan Temple, Java, Indonesia was damaged in 2006 due to earthquake).

Rebuild 'covert capability with Pakistan' that was disbanded by former Prime Minister I K Gujral. 'Support the citizens of Pakistan Occupied Kashmir, Gilgit, Baltistan and Balochistan in the fight for their human rights that have been denied to them by Pakistan'. ([Read report here http://www.indiandefencereview.com/news/solution-to-j-k-problem-lies-in-new-delhi/](http://www.indiandefencereview.com/news/solution-to-j-k-problem-lies-in-new-delhi/))

Improving ties with Pakistan can wait till withdrawal of US troops from Afghanistan and how the situation develops in 2015-16.

Enhance investment in building of Afghanistan's infrastructure.

Review of the Foreign Contribution Regulation Act so as to effectively question and monitor organisations that pour crores of rupees (billions) into India ([Read report here http://business.rediff.com/slide-show/2010/apr/13/slide-show-1-do-foreign-contributions-to-india-impact-security.htm](http://business.rediff.com/slide-show/2010/apr/13/slide-show-1-do-foreign-contributions-to-india-impact-security.htm)).

Modi must promote Indian culture, cuisine, garments and business interests.

### **Reintegrate north-east with rest of India**

Focus on improving road and rail connectivity. Where highways exist convert them into six-lane or construct new ones. Where Border Roads Organisation has failed to meet deadlines award contracts to reputed Indian companies with financial incentives for early completion.

On the Guwahati-Dimapur-Kohima-Imphal-Moreh route the road from Kohima to Imphal requires urgent attention. On the Guwahati-Silchar-Imphal route there are two World War 2 Bailey suspension bridges on Barak and Makru rivers which need immediate replacement. Road from Silchar to Imphal needs to be repaired on a priority basis. Do not wait for a war to kick-start completion of roads.

Simultaneously, present Bangladesh with an opportunity to earn huge transit fees by permitting construction of a Kolkata-Agartala Expressway through its territory.

The railway track from Lumbing to Silchar in Assam is being converted to broad gauge but needs to be completed on priority whilst the new railway line from Silchar to Imphal (currently behind schedule) needs to be extended to Moreh on Myanmar border. Rail connectivity would give a great impetus to border trade.

Ensure timely completion of the Sittwe port project in Myanmar. According to a December 2013 [report](http://mdoner.gov.in/content/introduction-1) (<http://mdoner.gov.in/content/introduction-1>) Essar hope to complete work by June 2014. Road from Paleta in Myanmar to Lomasu on border and to Lawngtlai/NH54 in Mizoram thereafter should, as [expected](http://thediplomat.com/2014/01/northeast-india-anticipates-seaport/) (<http://thediplomat.com/2014/01/northeast-india-anticipates-seaport/>), be completed by early 2015.

Information technology companies who set up units in north-east to get a five-year tax holiday.

Create 'centres of excellence in higher learning' in Itanagar so that fewer students of Arunachal Pradesh have to leave the state for higher studies. Have airports at Itanagar and Tezu with air connectivity like the rest of the north-east.

While Imphal has reasonably good medical facilities it needs quality engineering colleges. The National Institute of Technology there needs to become fully functional.

While a lot of money is being poured into development of the north-east, projects must be continuously and rigorously monitored to ensure timely completion and prevent money from being siphoned off.

At the same time make hostels in big cities for north-east students -- each with a capacity of say 5,000.

### **Out of the box ideas**

**Rename** district collector as district sewak.

Modi must promote tourism and lead from the front by attending major festivals e.g. Sanghai Festival in Manipur, Thrissurpuram in Kerala, Jaisalmer Desert Festival, Hola Mohalla in Punjab, etc.

Create and support an ecosystem for affordable tourism. This generates employment and promotes national integration.

Create a framework that encourages entrepreneurs to open 'taste of India' restaurants worldwide which serve pan-Indian cuisine. They could be in Tokyo, Hanoi, Moscow, Rome, Nairobi, Durban, Shanghai and Sydney.

Promote medical tourism in a big way-has huge employment potential. Also read 'ObamaCare is fast assuring that companies migrate for medical care; depreciating rupee making India viable' ([Read report http://www.business-standard.com/article/companies/medical-tourism-set-to-be-in-the-pink-of-health-113082100489\\_1.html](http://www.business-standard.com/article/companies/medical-tourism-set-to-be-in-the-pink-of-health-113082100489_1.html)).

Ministry of external affairs must support the preceding two ideas in a big way.

In Naxal-prone Bastar promote development as never before. Provide every village with electricity, television set and cover the entire area with cell phone towers. Have an annual Bastar craft and tribal festival and make it an international event. This should be accompanied with pro-active policing. Nationalist organisations must be co-opted to educate tribals like they have done in Arunachal Pradesh.

Use solar energy, all along the Rajasthan border, to provide light as against use of diesel currently. Ditto for cell phone tower companies which use over a billion litres of subsidised diesel per annum. Huge financial outlay should result in local production of solar panels at competitive rates.



Respected gurus and munis of India must explain the concept of *dharma* to the common man and explain how it is inclusive and has nothing to do with religion. Thus, people can be urged to discard the divisive European concept of secularism and imbibe an Indic one instead. ([Click here for more http://www.rediff.com/news/slide-show/slide-show-1-why-secularism-is-not-an-indian-concept/20130802.htm](http://www.rediff.com/news/slide-show/slide-show-1-why-secularism-is-not-an-indian-concept/20130802.htm)).

### **Talk less, work more**

All of us work to fulfill needs. Now, work with the *bhavna* (feeling) that my work is contributing to national progress so it is my duty to give it my best shot. Work with the faith that the universal consciousness will take care of my needs, if I follow this approach.

Such an attitude would make India consistently grow at rates, higher than what economists might imagine.

Indians must move away from the western concept of rights to the Indian concept of duty. If just 15 percent of Indians do their duty towards the less fortunate India would be a greater country to live in.

At the slightest signs of progress the media and people talk of India becoming a superpower. Such an attitude symbolises lack of confidence. The day India truly arrives the world will speak to us differently.

The humble and aware will sense the difference.

We must regain our position as the spiritual leader of the world and reach out to all without letting our guard down. A strong nation is one that has the ability and will to fight but chooses to restrain itself till provoked.

In 60 months, the words Narendra Modi and implementation should become synonymous.

*The author is a national affairs analyst and founder [www.esamskriti.com](http://www.esamskriti.com)*

### **Also**

1. Pictures of Prambanan Shiva Temple, Java, Indonesia <http://www.esamskriti.com/theme-detail/Prambanan-Temple,-Java.aspx>
2. Foreign Funding of Indian NGOs <http://www.indiandefencereview.com/news/foreign-funding-of-indian-ngos/>
3. Hola Mohalla festival Punjab <http://www.esamskriti.com/photo-detail/Hola-Mohalla-Festival.aspx>

4. Pics of Children of Arunachal Pradesh <http://www.esamskriti.com/photo-detail/Children-of-Arunachal-Pradesh.aspx>
5. Pics of Bastar Craft <http://www.esamskriti.com/photo-detail/Bastar-Craft.aspx>
6. Pics of Jungle Warfare College, Kanker, Chattisgarh <http://www.esamskriti.com/photo-detail/Jungle-Warfare-College-Kanker.aspx>
7. Pics of Vivekanand Kendra school, Sonpura, Arunachal Pradesh <http://www.esamskriti.com/photo-detail/VKV-Sonpura.aspx>
8. Pics of Livelihood College Dantewada, Chhattisgarh <http://www.esamskriti.com/photo-detail/Livelihood-College-Dantewada.aspx>
9. Pics of Jaisalmer Desert Festival <http://www.esamskriti.com/photo-detail/People-of-Marwar.aspx>
10. Pics of Sam Dunes, Jaisalmer <http://www.esamskriti.com/photo-detail/Sam-Dunes.aspx>
11. Pics of Craft Centres, Arunachal Pradesh <http://www.esamskriti.com/photo-detail/Craft-Centres-Arunachal-Pradesh.aspx>