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Guest Column: By Dr. Hari Bansh Jha

Narendra Modi just completed one year of his tenure as Prime Minister of India on 26th May 2015. During this period, he emerged as tallest figure among Indian politicians, apart from being front runner among the world leaders.

The sweeping economic reforms that he introduced in Indian economy helped achieve higher rate of economic growth of 7.5 this year, up from 5.4 per cent last year in 2014. At this rate of economic growth, India is likely to overtake China's 7 per cent rate of economic growth in 2016.

Modi exhibited dynamism in foreign policy by improving India's relations with the neighbouring countries, Indian Ocean states, medium and great powers. To take this relation to a greater height, he spent 52 days abroad visiting 18 countries in one year. In all his foreign tours, the Indian diaspora was widely used as lobby groups. India's Look East policy was changed to Act East policy. The regional organization SAARC got a new lease of life with Modi's participation in 18th SAARC Summit in November 2015. His contribution was also significant in the formation of New Development Bank (NDB) of BRICS and Asian Infrastructure Investment Bank (AIIB) of 21-member Asian countries.

Under his neighbourhood first policy, he invited heads of state/government of all the South Asian countries in his swearing-in ceremony. In this region, he first visited Bhutan and upgraded special relation between India and Bhutan to 'ultra special' category. The next country that he visited was Nepal where no Indian Prime Minister visited in last 17 years. His personal gesture in support of the recent earthquake victims in Nepal has been exemplary. He went to Sri Lanka where India Prime Minister's visit was due for 28 years. He also visited Afghanistan and is likely to visit Bangladesh to settle the most contentious Land Boundary issue.

Outside South Asia, it had been for 34 years that Indian Prime Minister had not visited Seychells and the gap was 28 years for Australia, 33 years for Fiji and 42 years for Canada. He consolidated India's relations with Iran by making agreement for operationalising Chahbahar port, which would now link India with Afghanistan through route. A new height was achieved in Indo-US relations when Barack Obama the first ever US president was made Chief Guest at India's Republic Day parade on 26th January, 2015. He also managed to reshape India's external relations with Russia, Brazil and Germany. His recent tours to China, South Korea and Mongolia were also politically, economically and strategically well designed.

Modi's visit to different friendly countries increased the prospect of foreign investment in India. Investors in United States promised to invest \$41 billion in India in 3 years. Nuclear logjam with this country was broken. Deals were signed for the development of smart cities, including Allahabad and Ajmer. A ten-year defence cooperation framework was signed to help India to build its defence production base.

The Japanese Prime Minister Shinzo Abe made commitment to invest \$35 billion in public and private sector in India in five years period. Japan agreed to invest in bullet trains in this country. Indo-Japanese ties were upgraded to Special Strategic and Global Partnership level. With France, a substantial deal was signed for the purchase 36 Rafale fighter planes. France and India signed 17 agreements, including the one on nuclear plant in Jaitapur in Maharashtra. With China, India signed 26 deals worth \$22 billion for investment in such important sectors as renewable energy, power, infrastructure, steel, small and medium industries.

In order to modernize India in ten years time, Modi wants to celebrate 75th anniversary of Indian independence as India's century. To achieve this goal, each day 30 kilometres of road is being built in the country. By 2019, 100 million toilets will be built. Altogether 100 new smart cities will be constructed by 2020 to create millions of jobs. Also, by 2020 India aspires to enhance its share in world trade from its present level of 2 per cent to 3.5 per cent. Clean India programme has been introduced throughout the country to create health and hygienic environment. By 2022, 500 million people will be provided vocational training so as to make them skilled. A new scheme is likely to be introduced for Indianization of education system in India under, 'Educate in India' initiative in the same way as manufacturing activities are promoted under the 'Make in India' programme.

All the 29 states in India have been asked to play bigger role in development affairs; for which the share of state governments in central tax revenue is increased from 32 per cent to 42 per cent. Subsidies on diesel have been removed. Restrictions on foreign investment in railways are lifted. Cap on foreign investment in defense and insurance sectors is raised from 26 per cent to 49 per cent with a view to cut red tape. Millions of bank accounts have been opened for the poor. An effort is made to provide cash to the poor for their welfare as substitute of cheaper rations in kind. New pension scheme is introduced to benefit the weaker sections of the society.

Economic reforms in Indian economy have now started paying dividends. Inflation level in the country is tamed and brought down to 4.87 per cent. FDI shot up by 25 per cent to US \$28.8 billion. However, Modi's flagship 'Make in India' project is labeled as hype because no new

investment is coming from outside the country. Businesses are mostly in wait and see mode. Construction activities are slow. Job creation is awfully slow, though 10 million youth enter into job market in India each year. The farmers still continue to commit suicide in certain states and the government's Land Bill could not be passed by the parliament.

In fact, one year time is too short to evaluate the performance of any government. But the initial trend shows substantial improvement in India's image abroad. India is now projected as a potentially leading power, if not a balancing power in international arena. A recent survey conducted by Times of India Ipos poll accorded Prime Minister Modi's government distinction in its first year with 77.5 per cent score.

However, India faces more challenges at the domestic front and so Modi needs to address the plight of the farmers and unemployed youth by increasing growth in agricultural, industrial, trade and service sectors.

(The writer is Professor of Economics and Executive Director of Centre fo Economic & Technical Studies in Nepal> The views expressed are his own.)

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