

## **MODI AS PRIME MINISTER SEEKING MEAT ON THE BONES**

INDIA'S Prime Minister, Narendra Modi, has developed an admirably direct style of public speaking. On August 15th he delivered his first Independence Day address, without a script, in Hindi, from the walls of the Red Fort in Delhi. He wore a flowing turban in the national colours and urged reconciliation, pledging that his government would seek to rule by "consensus", not by the weight of its massive mandate. He praised his predecessors, including Manmohan Singh, a man whom he used to scorn. He lauded Mahatma Gandhi, calling on Indians to revere his memory by keeping the country clean. He urged those involved in communal violence to desist and pleaded with Maoists and militants to lay down weapons. In opposition Mr Modi was belligerent, but as prime minister he is changing tone to become far more conciliatory.



All that is to the good. So too was the fact that he used the occasion to raise several awkward social issues—awful sanitation; the too-widespread practice of aborting female foetuses; the shame he feels at the prevalence of rape cases—not usually subjects for leaders hoping to stir national pride. He chided individuals to take more responsibility, to stop dropping litter, keep their neighbourhoods and villages clean, to care for those weaker than them. Such subjects are near-taboo for many politicians, so it is to Mr Modi's credit that he raised them.

Less clear, however, is what substance can be discerned from Mr Modi's speech. Two months into government early grumbles suggest the new prime minister is preoccupied with matters of style and administration, while he makes too little use of his political mandate. His government's interim budget, in July, offered limited cheer to those who

expected a big economic revival. He spoke from the Red Fort of reforming government, his “shock” at discovering how many small centres of power exist within the administration and the need for all workers—including government employees—to take pride in working well.

Yet for those who expected, or hoped for, striking announcements on policy there were almost none. Inflation and corruption are two of the big issues that have dominated Indian politics in the past couple of years, but neither subject got much attention. It turns out, at least so far, that Mr Modi is less bold in economic reform than his supporters had claimed. It had been predicted for months, for example, that Mr Modi would scrap the Planning Commission, a sort of parallel finance ministry which is a vestige of the old command economy, responsible for drawing up five-year economic plans for official spending. Instead in his speech he said the commission would be revamped, apparently as a think-tank within the government, though it is far from clear what that might mean—and whether it is a signal that India will get a more liberal, open economy.

One clue may be in the name for the new body. Early reports suggest it could be the “National Development and Reforms Commission”, or NDRC, which happens also to be the English name of China’s central-planning body. As in India, China used to have a State Planning Commission to direct economic development; it was formed soon after the People’s Republic was founded. China changed the shape of the commission and its name too, first in 1998 then again in 2003. Each change represented a step in the direction of decentralisation, as the government in Beijing devolved more authority to local governments. Officially China’s NDRC is home to 890 bureaucrats, but as many as 30,000 are estimated to work at its headquarters and branch offices. However, if that turns out to be a model for Mr Modi, it hardly represents the “minimum government” he likes to claim. Beyond that half-announcement, it was hard to discern any striking new policy. A scheme to roll out bank accounts for the rural poor, bundled with insurance for them, may or may not prove more effective than previous official efforts to order state banks (and others) to provide accounts for all Indians households. It would have been more encouraging if Mr Modi, who rightly lauds the use of technology, had talked of the benefits of mobile-phone banking, which has worked well in east Africa, for example. A new “model village” scheme may be based on Mr Modi’s experience in Gujarat, where some facilities seen in towns, such as government services, electricity supplies and internet access, have been brought to villages too. But there were no details. Similarly, Mr Modi’s call for foreign manufacturers to consider India as a base for exports, and his slogan “Come, make in India”, can be judged only once other policies are made clear. He would be more convincing in arguing that India can become a big trading power, for example, if he had not just scuppered the latest world trade agreement. Still, if his government is able to improve infrastructure, speed up land acquisition and ease labour regulation, then investors will come to believe him that India is a good place for factories.

In his first Independence Day speech as prime minister, Mr Modi may claim a success, certainly for his style, call for reconciliation and for raising social concerns. But the bold leader, certainly in economic reform, is yet to show himself.