

# A New India



# A New India

Selected Writings 2014–19

Arun Jaitley

Foreword by  
Prime Minister Narendra Modi

 juggernaut

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सत्यमेव जयते

प्रधान मंत्री  
Prime Minister

## Foreword

Arun Jaitley was a truly multi-faceted personality. A friend to many, excellent legal mind, effective minister, consummate communicator – one can go on. However, there is one side of Mr Jaitley that stands out as extremely important because there have been very few like him. As a public intellectual with immense grasp on policy issues, he brought a unique quality of felicity to public discourse that is very important for a vibrant democracy.

Few are the people who have a natural interest in complex policy issues. Fewer still are those who can grasp them and understand them. Among these, those who can reduce complex issues and explain them in a simple manner are rarest of the rare. Arun Jaitley, in this aspect, was one of his kind.

Whether he was speaking from the Opposition benches or from the Treasury side, Mr Jaitley was heard by everyone in rapt attention. People knew that he would always bring in a unique point of view to the issue being debated. When such precision and intellectual depth allied with the internet via the medium of blogs, Mr Jaitley's brilliant analyses reached an even greater number of people and enriched public discourse.

When he began to blog in September 2013, even while the medium was a new one, Mr Jaitley's enormous powers of persuasion made the transition seamlessly from soaring speeches to searing blogs. Unsparring of the UPA's misgovernance, he wrote about the ruling coalition's leadership crisis, their economic mismanagement

and corruption. As the elections of 2014 approached, his writing became so prolific that sometimes there was more than one blog on a single day!

Of particular interest to those who are seeing the revocation of Article 370 dominate the discourse would be a blog from November 2013 by Mr Jaitley titled ‘The Anti-Daughter Position in Jammu and Kashmir’. He had spoken about the prevalent status quo in Jammu and Kashmir that discriminated against women and also written unequivocally that ‘it must be accepted by one and all that such discriminatory provisions which also compromise the right to live with dignity have no place in Indian law.’

An emotional moment for the party and myself personally, is that, now looking back, Mr Jaitley’s final blog in August 2019, too, was on the same issue. ‘*The popular belief that the promise BJP made on Article 370 is an unachievable slogan has been proved wrong*’, he wrote powerfully, barely a couple of weeks before his passing.

For any youth looking to imbibe the importance of understanding public policy, Arun Jaitley’s blog is a goldmine. The sheer range of issues he elaborated upon, through his blogs, is expansive.

Be it his first blog after the 2014 election victory which said that it was time to take on challenges now that the celebration was over, or his explanations of the policy nuances of structural reforms such as the GST, there was something valuable in every blog. As a minister in the Union Government, Mr Jaitley was always one of the most reliable voices to pierce through the fog and make important points on the outlook of the government.

His blog on the significance of the decisions taken by the government on Triple Talaq, views on the Budgets, excellent insights into the impact of poverty-alleviation schemes or unique views later on how agriculture, health and rural development could do well with a GST Council like structure, Mr Jaitley always brought an



incisive eye that could grasp the finer aspects while also not losing sight of the larger picture.

Arun Jaitley's series of blogs called 'Agenda 2019', on the issues that the elections of 2019 would be fought on, was prescient in its analysis. It also set the tone for the election season in many ways, with Mr Jaitley articulating the government's work in a way that few could.

I hope that a large number of people, especially youngsters, read this collection of his blogs. It will not only make them reflect upon the genius that Arun Jaitley was but also arm them with informative insights on public policy.

Personally speaking, reading Arun Jaitley's blog makes me nostalgic about the loss of not only a friend but also a brilliant mind that always put its intellect in the service of the nation.

New Delhi  
19 November 2019



(Narendra Modi)



## Part One

# How Narendra Modi Is Changing India's Destiny



## A New Man, a New Style

From top to bottom, Narendra Modi has ushered in a new way of governing the country, sweeping away the old coterie and power brokers who used to swarm the corridors of power. The hallmarks of his style are clarity and decisiveness. The prime minister's soaring vision has placed the country at an inflection point for growth and prosperity for all. His detractors are struggling to keep up with the scorching pace of change. Policies once deemed impossible are now seen as feasible, thanks to 'Modi hai toh mumkin hai'.

## **My Reflections on the NDA Government After Four Years in Power**

*Posted on 26 May 2018*

The NDA government led by Prime Minister Narendra Modi has completed four years in office. Today it enters its fifth year in office.

### **The change**

The preceding ten years of the UPA rule had unquestionably witnessed the most corrupt government since Independence. Prime Minister Narendra Modi created transparent systems through legislative and institutional changes which have given this country a scam-free governance.

Unlike the UPA, the prime minister is the natural leader of both his party and the nation. We have witnessed a journey from indecisiveness to clarity and decisiveness. India has transformed from being a part of the 'fragile five' to the 'bright spot' on the global economic scene. A regime of policy paralysis has been transformed into one of decisions and actions. India, which was on the verge of becoming a 'basket case', has today been transformed into the fastest-growing major economy in the world and is likely to hold that position in the years to come.

The country's mood from despair has transformed into hope and aspirations. Good governance and good economics have been blended with good politics. The result of this has been that the BJP is more confident, its geographical base has become much bigger, its social base has expanded and its winnability has hugely increased.

The Congress is in desperation without the perks of office. From being the dominant party of Indian politics, it is moving towards the 'fringe', its political positions are not of a mainstream party, but

those usually adopted by 'fringe' organisations. Fringe organisations can never hope to come into power. Its best hope lies in becoming a supporter of regional political parties. State-level regional political parties have realised that the marginalised Congress can at best be either a junior partner or a marginal supporter. Karnataka had witnessed a telling example of this.

A regional political party whose base at best is confined to a few districts was able to extract a chief ministership of the Congress to which the Congress meekly surrendered. It had even lost its bargaining capacity. It is today putting on a brave face in Karnataka where the losers are masquerading as winners.

### **Scam-free governance**

Prime Minister Modi has institutionalised a system where discretions have been eliminated. Discretions lead to abuse of power because they can be misused. Allocations of contracts, natural resources, spectrum and other government largesse, which were being distributed through discretions, are now allocated through a market mechanism. Laws have been changed. Leaders of the industry are no longer seen repeatedly visiting the South Block, the North Block or the Udyog Bhawan. Environmental clearance files don't pile up. Foreign Investment Promotion Board (FIPB) has been abolished.

For cleaning up the economy, India has to transform from a tax non-compliant society to a tax-compliant society. The enactment and implementation of the Goods and Services Tax (GST), the impact of demonetisation, effective tax compliance are all steps against black money, steps which are formalising the Indian economy. The Insolvency and Bankruptcy Code (IBC) has changed the lender-creditor relationship. The creditors no longer have to chase the debtors. If you cannot pay your creditors, you have to exit through a statutory mechanism.

## **The social sector priority**

For the first time in history, the poor and the marginalised are holding bank accounts as part of the world's largest financial inclusion programme. The MUDRA Yojana has made cheaper credit available to the weak and the marginalised. The biggest beneficiaries of this have been women, SC/ST, minorities and other weaker sections. Rural roads with a hugely increased expenditure are a success story. Policies aimed at connecting every village with roads and electricity, affordable rural housing, toilets and gas connections in all homes are intended to change the quality of life in villages.

The Crop Insurance Scheme and the government's decision that farmers must get 50 per cent above cost are steps intended to eliminate agricultural distress. The UPA government had sanctioned Rs 40,000 crore under MGNREGA but with budget cuts spent only Rs 29,000 crore. Today that expenditure has been doubled. Under the Food Security Programme, the expenditure has been increased to Rs 1,70,000 crore to ensure cheaper food grain availability to the eligible. On the healthcare front, the destiny of India's poor will change when 40 per cent families at the bottom of the ladder will get a treatment up to Rs 5 lakh for hospitalisation which will come from the government scheme.

## **Economic management**

Under the UPA government, India had fallen off the global radar. In its initial years when the world economy was booming, India grew on the strength of global tailwinds. When the global situation became challenging, the UPA's decisiveness and performance collapsed. The last two years of the UPA witnessed substantially lower growth rates. From the very first year of the NDA, India is the world's fastest-



growing major economy with the highest GDP growth rates. This is also the global projection for the next few years.

The Current Account Deficit (CAD) saw an unprecedented 6.7 per cent deficit in the year 2012–13. The NDA has consistently maintained a CAD of under 2 per cent on an annualised basis. The poor economic management was visible when under the UPA fiscal deficits remained alarmingly high. The government was spending more and earning less. We witnessed fiscal deficits of 5.8 per cent, 4.8 per cent and 4.4 per cent in the UPA's last three years. Having inherited the mess, the NDA, year after year, has brought it down to 3.5 per cent and shall, this year, try and deliver a 3.3 per cent fiscal deficit.

The UPA's economic management was such that even when fiscal deficits were high, expenditure cuts of over Rs 1 lakh crore were done in order to make the fiscal deficit optically look slightly better. Cut in expenditure means cut in growth. During the NDA years, revised estimates of expenditure were always higher than budget estimates. The UPA in its last years provided India an inflation figure up to 9 per cent and at one stage it even crossed into double digits.

The NDA has tried to contain inflation and, on most occasions, remained within the target of 3 to 4 per cent. The poor economic management of the UPA resulted in the high cost of borrowing for the Centre and the state governments. The bond yields had touched an incredible 9.12 per cent in April 2014. We have on average, been able to contain it between 6 to 7 per cent with a low of 6.3 per cent on one occasion and rarely in the 7 per cent range (and that) only when global factors impacted either the currency or the crude prices.

The infrastructure expenditure has increased by 134 per cent from the last year of the UPA to the current year. The Congress president must remember that taxes don't go into the pocket of the government. They go back to the people for better infrastructure,

better social sector expenditure and poverty reduction programmes. The social sector expenditure has seen a substantial increase from both the central and the state governments.

The road sector programmes have witnessed a 189 per cent increase between the last year of the UPA and the fourth year of the present government. Resources are transferred to the states with 42 per cent devolution of taxes, Finance Commission grants and assistance through the CSS schemes. Notwithstanding the perpetual grumbling, the last year of the UPA witnessed Rs 5,15,302 crore being transferred to the states. This year the proposed transfer is 145 per cent higher and will be Rs 12,62,935 crore. This is over and above what the states earn from the GST where they have been constitutionally protected with a 14 per cent annual increase. The states independently levy their own taxes.

Institutional changes thus being enacted and implemented are putting the Indian economy on a far stronger wicket.

### **The fifth-year debate**

As we enter the fifth year of the government, the NDA's priorities are clear. This will be our year of consolidation of the policies and programmes which we have implemented. In our prime minister, we have a strong leader with a mass appeal. His capacity to change India's destiny is globally recognised. His insistence on integrity, his indefatigable capacity to work, his clarity of policy and direction, his boldness in taking steps in larger national interest give the NDA a natural political advantage. Clarity and credibility are hallmarks of the NDA government.

The last few days have witnessed a discussion about a 'fictional alternative'. A group of disparate political parties are promising to come together. Some of their leaders are temperamental; the others

occasionally change ideological positions. With many of them, such as TMC, DMK, TDP, BSP and the JD (S), the BJP has had an opportunity to share power. They frequently change political positions. They have supported the BJP, claiming that it is for the larger national interest and then turned turtle and opposed it in the name of secularism.

These are ideologically flexible political groups. Stable politics is far from their political track record. Some amongst this disparate group have an extremely dubious track record of governance. Some leaders are mavericks and others include those who are either convicted or charged with serious allegations of corruption. There are many whose political support base is confined either to a few districts or to a particular caste. To rule a large country like India through coalitions is possible but the nucleus of the coalition has to be stable. It must have a large size, an ideologically defined position and a vested interest in honest governance.

A federal front is a failed idea. It was experimented under Shri Charan Singh, Shri Chandrasekhar and by the United Front government between 1996 and 1998. Such a front with its contradictions, sooner or later, loses its balance and equilibrium. Remembering 1996–98 as perhaps one of the worst periods of governance, the aspirational India which today occupies the high table in the world shall never accept an idea which has repeatedly failed.

History teaches us this lesson. Aspirational societies with vibrant democracies do not invite anarchy. A strong nation and the requirements of good governance abhor anarchy. The political agenda for the debate this year will appropriately be 'Prime Minister Modi versus an anarchist combination'. The 2014 election conclusively established that in the New India chemistry will score over arithmetic when it comes to deciding the country's destiny.