

Modi's Greatest Trick: Turning Our Deepest Insecurities Into A System of Governance

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There's an old folktale that goes like this: to redeem his ills, a man prayed hard and long. His prayers bore fruit when god appeared and granted him a boon. But there was a condition: the man's friend would get double of what he asked for. After pondering briefly, the man asked that one of his eyes be taken away. His friend turned completely blind.

In Narendra Modi's India, this was not just a tale anymore. It had become a method of 'governance'—to tap into one's extreme insecurities by tutoring people to measure their state of being *only* against the misery of the 'other'. And this 'other', in the last five years, has assumed various forms—Muslims, Dalits, Adivasis, women, farmers, the unemployed and the unemployable.

But how does one do it repeatedly? Through endless cunning; taking advantage of people's trust in the government; bombastic policymaking; war-mongering; and by pitting one community against the other. In the process, they managed to divert people's attention from the failures of the government. As the election season comes to an end, it's important to recount this government's follies. Not just because we are at the cusp of a new government being formed, but also because the repercussions of the structural and institutional damage wreaked by the BJP government is likely to be felt for years to come.

Demonetisation

The biggest act of economic mockery, was, of course, demonetisation. In November 2016, Modi made the country queue up and plead to access their own, hard-earned money. Apart from the long lines and extreme hardships faced by citizens, the biggest blow was that the exercise proved to be a farce. All the money that was weeded out is back into the economy, except the mythical 'black money' it was supposed to target. Instead, hundreds of jobs were lost and established trade circuits were decimated. According to Azim Premji University's State of Working India 2019 report, more than 50 lakh men have lost jobs post-demonetisation. The poor bore the maximum weight of this. The RBI had warned the government about the ill effects of the move. But Modi and his coterie still went ahead and took the call. Why? Because a spectacle had to be made about the government's apparent commitment to anti-corruption.



File Photo/ Getty Images

People queue up in front of Punjab National Bank to withdraw or deposit the money at Trilok Puri on December 29, 2016 in New Delhi.

Financial inclusion

The BJP government also made lofty promises about financial inclusion. In this regard, lakhs of bank accounts were opened through the Pradhan Mantri Jan Dhan Yojana (PMJDY). While financial inclusion is important, merely opening bank accounts doesn't ensure any kind of inclusivity. As argued [here](#), access to affordable credit to smoothen consumption and make timely investments has remained poor. In particular, with low levels of employment and a decline in real wages, the poor don't have sufficient savings. This prevents them from participating in the formal financial system and so a large number of such accounts have been inoperative.

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There are only 14.06 bank branches in India per one lakh adults and the situation is worse in rural areas. While the number has been increasing in the last 15 years, the rate has been too slow. There has been no move to rapidly increase bank penetration. Instead, the government has been pushing Aadhaar-Enabled Payment Systems through banking correspondents (BC), where there is no paper trail for banking. Rural citizens getting their work done through BCs don't even have access to basic facilities such as getting their passbook updated. While there are merits to having well-regulated, monitored and well-audited BCs, they can't be a substitute to banks. As things stand, there are no accountability norms for BCs. The lack of a proper financial inclusion policy has meant that the already short-staffed public sector banks in rural areas have been under a lot of stress.



Hindustan Times via Getty Images

Prime Minister Narendra Modi speaks during the launch of Pradhan Mantri Jan Dhan Yojna at Vigyan Bhawan on August 28, 2014 in New Delhi.

The PMJDY juggernaut, propped up on the well-oiled machinery of Aadhaar, as part of the BJP government's JAM (Jan-Dhan Aadhaar Mobile) strategy, came with a host of other problems. First, an RTI application in 2015 revealed that almost all the Aadhaar numbers issued until then were to people who already had at least two existing identification documents. When the majority of the target population already had a government identity card and when electronic funds transfer to rural bank accounts was already done through funds transfer system, the rationale behind the introduction of Aadhaar has been questionable. On the contrary, Aadhaar-related funds transfer has resulted in several cases of diverted, blocked or rejected payments. According to a recent study done by the Indian School of Business (ISB), based on an analysis of more than 10 million payments from 2014-18, 38% of all the Aadhaar Payment Bridge System payments of MGNREGA wages in Jharkhand "redirect wages to a completely unrelated account". This is deeply distressing. Denial of rations and pensions due to Aadhaar-related biometric failures have been cited as the reason for a majority of at least 75 starvation deaths. This aside, the BJP government remains silent on why crores of rupees were wasted in making such a monument of folly, when the monthly social security pensions for the old continue to stagnate at a paltry Rs 200.

MGNREGA

This is not all. Contrary to the false claims of 'highest ever allocation', fund flow for MGNREGA has been abysmally low. On an average, 23 percent of the funds allocated each year are pending liabilities from previous years (authors' calculation). Around Rs 10,000 crore out of this year's allocation of Rs 60,000 crore is pending arrears from previous years, meaning that in real terms, this year's allocation is lower than that of 2010-11. And by rationing fund allocation, the BJP has exacerbated the agrarian distress. The employment provided is 33% lower than the work demanded. Contrary to the government's claims, less than 25% of MGNREGA payments have been made on time and MGNREGA wage rates across the country are lower than the minimum agricultural wage rate.



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Farmers take a halt as they are marching from Nashik to Mumbai near Ambebahula village on February 21, 2019 in Mumbai. Providing work under MNREGA in drought-hit regions was among the 15 demands listed by the farmers.

Jobs/Health

Leaked government data indicates that unemployment is at a 45-year high and that one in every five educated youth is unemployed. Urban men in the age-group of 20-24 account for 13.5% of the working-age population, out of which a whopping 60% are unemployed.

Women have higher unemployment rates as well as lower labour force participation. What is

worrying is that the trend continues to decline. And the government's response? Suppress the data, or use misleading data such as EPFO and MUDRA. What is required to remedy the unemployment crisis is strengthening of MGNREGA along with a proposed [national urban employment guarantee programme](#). There is more. For Ayushman Bharat, the government's flagship health initiative, the government announced in its usual grandiose style that the allocation for 2019-20 was Rs 6,400 crore for 10 crore households. However, simple arithmetic shows that only 1.28 lakh households might benefit from the insurance of Rs 5 lakhs.

Swachh Bharat

Other public policies haven't fared better. A team of researchers led by Aashish Gupta recently concluded a [four-state study on toilet construction under Swachh Bharat Mission \(SBM\)](#). The study not only debunks the false claims of villages being open-defecation free (ODF) but also describes bizarre, exploitative tactics. For instance, the government-backed 'Nigrani Samitis' declared that they will "empty people's *lotas*, click their photographs and post the photographs publicly" in case of open defecation. Other abominable coercion methods included [using drones](#) to take pictures to prevent open defecation and stopping rations till a toilet was built. Is this a mission or a penal punishment?

While the poor have been subjected to such cruel indignity, [36 rich industrialists facing charges have fled the country in the recent past](#). Meanwhile, public institutions like Hindustan Paper Corporation Limited, [ONGC](#), India Post, and several others are in distress. The lack of any robust policy to remonetise these institutions have bled them profusely. Non-performing assets have climbed up to a whopping [Rs 10.4 trillion](#), making banks squeeze the middle and low-income customers to the maximum. A faulty and forceful GST has harmed small traders decisively. The last five years have also led to some scepticism against sovereign agencies like the Information Commission and Election Commission, which are being slowly rendered toothless by the BJP government.

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Not just the economy

It could well be that some years of sound economic planning, wise reparation and stable growth will bring back the economy to a modicum of health. Even devalued institutions might go through a period of penance to regain public credibility.

But who will heal India's moral core? What happens to the people who have been poisoned? From Dadri's Mohammed Akhlaq in 2015 to Gumla's Prakash Lakra in April, 2019, poor and defenceless men, mostly Muslims and some Adivasis, have been mauled and brutally killed for trading in cow meat. A section called Lynchistan has been set up by the digital news-portal The Quint to track the count of vigilant violence across India, indicating the level of perversity we have reached as a nation.

Every such incident has followed a similar pattern—deviant behaviour by Hindutva mobs and consequent silence or tacit support from BJP's apparatchik. Be it BJP MP and Union minister Jayant Sinha garlanding those accused of lynching or the candidature of terror accused Pragma Thakur, these are grim reminders of BJP's steadfast commitment to the subjugation

of minorities as part of their patriotic pogrom. And when faced with failures at every end, they have created a counterfeit narrative of nationalism through a carefully crafted paranoia about national security.

In a festival of democracy, we have been fed a carnival of hex, lies, and videotape. It remains to be seen how much Indian voters have been consumed by hatred, bigotry, and moral perversion. Have we become like the man in the folktale?

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