

India: One year of the Modi-led, BJP government

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India's Bharatiya Janata Party (BJP) government marked its first year in office this week by vowing to intensify its drive for "transformational" change.

Rattled by the post-2011 halving of India's growth rate, the Indian bourgeoisie brought Gujarat Chief Minister Narendra Modi and his BJP to power to pursue a more aggressive policy—to vigorously assert their predatory interests on the world stage and restructure India, at the expense of the working class and rural toilers, to make it more attractive for global capital.

A self-styled Hindu strongman who as Gujarat chief minister presided over a horrific anti-Muslim pogrom in 2002, Modi is a fitting standard-bearer for this reactionary agenda.

During its first year in office, the BJP government moved India sharply right. It lent crucial support to Washington as it pursued its anti-China "pivot," imposed sweeping social spending cuts and a raft of neo-liberal reforms, and incited Hindu supremacism through acts of omission and commission.

India and the US's anti-China "pivot"

Explaining the Modi government's foreign-policy shift, Foreign Secretary Subrahmanyam Jaishankar told the *Economist* that India now aspires to be a "leading power, not just a balancing power."

In reality, India—a country with a population commensurate to China's, but an economy just one-fifth the size—is involved in an ever-more precarious and reactionary balancing act, that is stoking the threat of war in the Indo-Pacific region.

Modi has taken India's "global strategic" partnership with the US to a new level. This was exemplified by US President Barack Obama's participation in India's Republic Day celebrations last January and the subsequent issuing, under Modi's and Obama's signatures, of a "Joint Strategic Vision for the Asia-Pacific and Indian Ocean" that included US-drafted language concerning the conflict in the South China Sea.

In tilting toward US imperialism, the Modi government has dual and, in the final analysis, incompatible aims. On the one hand, it is determined to exploit to the hilt Washington's pledge to "assist" India in becoming a world power, including through the sale of advanced weaponry and by supporting India's efforts to become an Indian Ocean power and greatly expand its economic and military-strategic influence in South-East Asia. On the other hand, Modi and the Indian elite want to use Washington's support as leverage with China. They calculate Beijing will offer India investment and other inducements to prevent New Delhi abandoning the little that remains of its "strategic autonomy" and joining the US, and its other principal allies in the region, Japan and Australia, in a formal anti-China alliance.

Earlier this month, Modi traveled to China. While there, he affirmed that "talks of alliances against one another have no foundation. Neither of us can be contained or become part of anyone's plans." He also promised that his government would be much more welcoming to Chinese investment than its predecessor, which blocked Chinese investment in telecommunications and other areas deemed security sensitive.

However, Modi also admonished Beijing, saying closer ties are dependent on China changing its behavior. He specifically attacked the Chinese plan to invest \$46 billion in building an economic corridor through Pakistan to the Arabian Sea Port of Gwadar.

The Modi government's maneuvers, including the continuing expansion of US-Indian military cooperation and its suggestion that it may soon authorize Indian participation in quadrilateral strategic planning and exercises with the US, Japan and Australia, are encouraging the US in its reckless war-drive against China.

Meanwhile, the BJP government and the Indian bourgeoisie are drawing strength from the support lavished on them by the US and its allies while pursuing their own efforts to impose themselves as the regional hegemon. "You cannot be a leading power if your neighbourhood is not with you," Foreign Secretary Jaishankar told the *Economist*. "You need it to root for you."

India worked closely with Washington in mounting a successful regime change operation in Sri Lanka against President Mahinda Rajapakse who they both deemed too close to Beijing. New Delhi was especially angry when Rajapakse brushed aside its complaints about a Chinese submarine docking in Sri Lanka.

Very much on its own initiative, the BJP government has ratcheted up pressure on Pakistan with the aim of "changing the rules of the game" in the reactionary, seven decade-old dispute between the rival nuclear-armed powers.

The BJP and Indian military commanders have boasted about the more aggressive posture India is now taking on the Indo-Pakistani border, including in the disputed Kashmir region. Last October saw the most serious border clashes in more than a decade.

In recent weeks Pakistani government and military spokesmen have accused India of assisting terrorist and insurgent groups in Pakistan. India has scoffed at these claims. Yet its own defence minister, Manohar Parrikar, boasted on May 22 that India is now dealing with security threats through a "proactive policy" based on the tenet "you have to neutralize terrorist(s) through terrorist(s)."

Increasingly the Indo-Pakistani conflict is becoming entwined with the Sino-US confrontation, adding an explosive new dimension to each.

Bruce Riedel, for decades a high-level CIA strategist and current-day Brookings Institute specialist on South Asia, published an article this week titled "One year of Modi government: Us versus them." It argues that during Modi's tenure "the bipolar alliance system in South Asia has hardened. While the alliance system remains completely informal, the United States and India are closer to each other, and China and Pakistan

have come much closer together.”

Riedel is no disinterested observer. He placed his piece in the *Indian Express* with a view to exploiting Indian apprehensions over the Chinese economic corridor. But the logic of the US’s courting and arming of India, India’s ever-more pronounced tilt toward Washington, and the Indian bourgeoisie’s push to put Pakistan in its place is to drive Beijing and Islamabad into an ever-tighter embrace with potentially catastrophic consequences for all of Asia and, indeed, the world.

The BJP’s socially incendiary agenda

At home, the Modi-led BJP government is pursuing a socially incendiary agenda. Its aim is to make India a cheap-labor supply-chain hub for world capitalist production. Toward this end, it is restructuring every facet of socio-economic life on neo-liberal “free market” principles and making working people foot the bill for the infrastructure projects investors need to profitably exploit India’s human and natural resources.

In the name of fiscal consolidation, the BJP government has intensified the austerity drive begun under the previous Congress-led government. Even as infrastructure and military spending have been hiked, Indian government expenditure has shrunk from 14.8 percent of GDP in 2011-12 to 13.3 percent in 2014-15, the first year of the BJP government.

The BJP has cut an estimated 1.75 *lakh crore* rupees or \$US27.3 billion from social expenditure—a sum equivalent to about 10 percent of India’s national budget. And this in a country where hunger stalks hundreds of millions and the state spends just 1 percent of GDP on public health.

The BJP has accelerated the pace of privatization, raised foreign investment limits in key sectors of the economy, initiated steps to introduce a regressive national Good and Services Tax, and handed additional responsibilities and revenue to the states with the ulterior motive of using decentralization as a mechanism to undermine social programs.

Already major steps have been made toward replacing food and fertilizer price subsidies with direct-cash payments. This change has long-been advocated by the IMF and World Bank because the number of recipients can be much more readily pared and over time inflation erodes the value of the cash payments.

A longer-term goal is to replace India’s rudimentary and utterly inadequate social-welfare programs, which nonetheless embody, however inadequately, the concept of basic social rights, with “insurance” schemes, where the coverage is dependent on the capacity of those enrolled to pay premiums.

The government has this far failed to get parliament’s approval for legislation making it easier to expropriate land for capitalist development. But it has repeatedly promulgated temporary ordinances to give the legislation effect and thereby demonstrate to big business that it is ready to use anti-democratic means to impose its agenda.

Stoking communal reaction

The bourgeoisie’s turn to Modi and the BJP is not a sign of vitality. The BJP is a toxic, highly combustible political formation. Much of its leadership and activist base are Hindu supremacists beholden to the shadowy RSS.

Over the past year the Hindu right has gone on the offensive, with the tacit and often times explicit approval of the government. The BJP-led

government of Maharashtra has banned the sale of beef, poor Muslims have been pressured to convert to Hinduism, churches have been vandalized, the ostensible Minister for Minority Affairs Mukhtar Abbas Naqvi proclaims those who want to eat beef should “got to Pakistan” ... the list of communal provocations goes on and on.

Last February after much prodding, including from the Obama administration, Modi made a speech decrying the church attacks and asserted the right of all Indians to practice their faith. Modi’s statement changed nothing. Nor was it meant to.

While sections of the domestic and international bourgeoisie worry that the BJP’s virulent Hindu communalism will provoke widespread opposition and impede implementation of their neo-liberal agenda, the reality is outside the corporate boardrooms and the most selfish sections of the upper middle-class there is no popular support for this agenda. Communal reaction is a necessary complement to the BJP’s incendiary pro-market policies and as popular opposition grows will be employed ever more openly to divert the mass social anger along reactionary channels and split the working class.

A frontal collision between the working class and the BJP government is inevitable. At every opportunity Modi is proclaiming that India’s economic growth rate now surpasses that of China. But the *Wall Street Journal* describes India’s economy as “merely limping” and the *New York Times* as “sluggish.” In truth India’s economy, like global capitalism, is in perilous shape, only arguably more so. India’s corporate houses are hobbled by debts and the banking system by non-performing loans.

In their commentaries on the BJP government’s first anniversary, the business press, especially such mouthpieces of international capital as the *Economist* and the *Financial Times*, have been adamant that Modi must go much further and faster in implementing pro-market measures.

The principal obstacle to the independent political mobilization of the working class against war and social reaction are the Stalinist parliamentary parties—the Communist Party of India (Marxist) or CPM and the Communist Party of India (CPI.) For decades they have functioned as an integral part of the bourgeois establishment. Between 1989 and 2008 the Stalinists propped up a succession of central governments that pursued neo-liberal reform and in those states where they have held office they have implemented what they themselves term “pro-investor” polices.

The CPM—the principal component of the Stalinist-led Left Front—has responded to the election of Modi by turning still further right. This was exemplified by the party’s recent congress which selected as general secretary, Sitaram Yechury, an advocate of closer ties with the Congress Party. The traditional ruling party of the Indian bourgeoisie, the Congress did most of the heavy-lifting over the past quarter century in imposing pro-market restructuring and forging India’s new partnership with US imperialism.

To oppose war and defend and secure their basic social rights, Indian workers and youth must turn to the International Committee of the Fourth International (ICFI), the world party of socialist revolution founded by Leon Trotsky in opposition to the Stalinist betrayal of the 1917 Russian Revolution. The ICFI alone fights to unify the struggles of the international working class and infuse them with a socialist program to end capitalism and reorganize socio-economic life to serve human needs, not enrich a tiny minority.

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