



# MAKE IN INDIA



MAKE IN INDIA



# INDIA'S TEFLON MAN

Despite Many Domestic Challenges and Crises, Narendra Modi Remains  
a Remarkably Popular Figure in India

*By Michael Kugelman*

**O**n November 8, 2016, Indian Prime Minister Narendra Modi delivered a sudden and shocking address about a new, high-risk policy—one that would dominate discussions in India for weeks. He told his nation that a radical new demonetization policy would be implemented to rein in the problem of black market money. “These steps are a part of our battle against corruption, black money, and counterfeit notes,” he declared. This entailed removing much of India’s cash from circulation—including the popular 500- and 1,000-rupee banknotes—and with immediate effect.

In the days that followed, Indians struggled to deal with the disappearance of cash in a country where only 4.4 percent of the population has access to credit or debit cards. About a week after demonetization came into effect, local media reported that nearly three dozen people had died. Several people lacked the money to pay for desperately needed medical care; others suffered heart attacks while waiting in long lines to withdraw increasingly precious cash; and a few committed suicide when they failed to secure the proper banknotes.

Unhappiness about the new policy propelled tens of thousands of protesters into the streets. Between April and June of 2017, the country’s Gross Domestic Product (GDP) growth fell to 5.7 percent—the lowest rate since the January–March quarter in 2014. Some economists attributed this plunge in part to demonetization.

And yet, Modi’s popularity has remained intact, despite confronting repeated major policy setbacks during his three-plus-year tenure as prime minister. For instance, a Pew poll released in November found that nearly nine out of ten Indians hold a favorable view of him. Also, in *India Today*’s latest State of the Nation poll, released in August, nearly two-thirds of the nation described him as “outstanding” or “good.” Modi’s feat is reminiscent of Ronald Reagan—a leader who weathered all types of challenges

◀ Modi at inauguration of “Make in India” week, Mumbai, Feb. 13, 2016.  
*Danish Siddiqui/Reuters*

and crises, and with relatively little damage to his reputation. Observers coined a moniker for Reagan: The Teflon President. If you're given the Teflon title, it means that like Teflon, the nonstick-coating, bad things don't stick to you. Indeed, Modi is India's Teflon man.

His new and effective leadership style and the current state of Indian politics have enabled him to weather policy challenges and enjoy the status of India's most popular national political figure. Indeed, the Pew poll from November found that his favorability rating was thirty percentage points higher than his closest competitor, Rahul Gandhi of the Indian National Congress Party.

I've written previously for the *Cairo Review* about Modi's sterling reputation abroad as a globetrotting diplomat who knows how to ink big deals and promote India's political and economic interests.

At home, however, he's struggling.

Demonetization is just the tip of the iceberg. Modi has largely failed to deliver on the economic reform plan that he pledged to undertake after his landslide victory in the 2014 national election. Even his one big-ticket economic reform success, a Goods and Services Tax, introduced in July 2017 to standardize value-added tax regimes, has ironically been cited as another reason for India's current economic slump, thanks to the immediate shock it delivered to the economy. The prime minister has also fallen short on his promise of jobs. According to one estimate, India lost 1.5 million jobs over the first four months of 2017. Even back in 2015, members of a key Modi support base—the Patel clan—took to the streets demanding better jobs.

Meanwhile, communal tensions have been sharp, with periodic reports of lynching of people—mainly Muslims—alleged to be “beef-eaters” (Hindus do not consume beef). The government as it carries out its social agenda—one rooted in Hindu nationalist principles—has announced new policies that discriminate against Muslims and other religious minorities that include limitations on the sale of cattle for slaughter as an example. Additionally, in March, Modi appointed a hardline Hindu monk, Yogi Adityanath, as the new chief minister of Uttar Pradesh, India's most populous state. Adityanath harbors virulently anti-Muslim views and, among other forms of hate speech, has called on Muslims that don't like yoga to leave India or drown themselves. What has particularly upset government critics is that New Delhi has not only been slow to investigate violent incidents involving discrimination but also often fails to condemn them at all. This all may play well with Modi's Hindu nationalist base, but not with many of India's nearly 200 million Muslims nor with its human rights community and liberals more broadly. Indeed, protests broke out across the country last summer to bring attention to what protesters decried as government inaction in the face of rising mob violence.

Not surprisingly, amidst this highly charged climate, Hindus and Muslims have sparred violently. In one incident in July, one person died and dozens were injured in the state of West Bengal when armed Muslims went on a rampage after a student posted an offensive cartoon of the Prophet Mohammed on Facebook.

### A People's Man

Modi has weathered these challenges in part because of the new type of leadership he brings to India—leadership that's earned him strong repositories of public support that can withstand inevitable shocks. His concern for efficiency, incorruptibility, and accountability—terms that are not commonly associated with Indian governments in the immediate past—helps explain why he has so endeared himself to the Indian public.

To many Indians, he represents a dramatic break from the country's political past. In a nation with a political class riven with corruption, Modi is clean. He's not the product of a political dynasty like the Gandhi family that runs the Indian National Congress, India's chief opposition party. Much has been made of his highly efficient, high-energy, no-sleep work ethic—and how he's sought to have it rub off on his subordinates. His government has issued new rules that threaten punishment if civil servants don't arrive at work on time. Additionally, just several months after taking office, Modi instituted a new system that uses fingerprinting technology to monitor government employee attendance.

Modi also acts boldly to promote accountability. In a possible acknowledgment of his government's struggle to tackle economic challenges, he ordered a major shakeup of his cabinet in September 2017. He also hasn't hesitated to crack the whip further down the hierarchy. For example, he fired 129 government workers last May for poor performance.

Consider as well the policy issues that Modi has elevated to prominence. He embraces issues bound to resonate among India's general population the most—such as jobs. One of his government's signature policies is “Make in India,” an effort to attract the world's best companies to India to work with local companies in manufacturing—a sector that hasn't achieved as much global success as India's services sector. Make in India aims to strengthen local companies and thereby increase employment. Building one of his major policy initiatives around jobs certainly endears him to the masses, and especially an initiative that Modi has tirelessly championed at home and abroad and that boasts an omnipresent marketing campaign. Indeed, the main symbol of Make in India—a stalking lion comprised of cogs and wheels—is seen frequently around India, emblazoned on building walls and imprinted on billboards. This campaign extends abroad as well. In 2015, when Hanover, Germany, hosted the world's biggest industrial fair, the city was seemingly taken over by the Make in India lion, with the image appearing on cars, trams, and in parks.

Another Modi policy priority that strikes a deep chord with the masses is anticorruption. Corruption has long generated national disgust in India; the previous government became engulfed in graft scandals that sparked mass protests in 2011. Demonetization is at its core an anticorruption measure. This helps explain why, despite the economic slump and protests it has sparked, demonetization is actually a popular policy. Just days after implementation, an Indian poll found that 75 percent of respondents supported it.

Modi's ability to resonate with the masses can also be seen in how he engages with the Indian public. He addresses the Indian people in a strikingly personal way. Several weeks after demonetization was implemented, Modi made a speech that some observers credited for preventing the premier from suffering a drop in public opinion. In the speech, Modi acknowledged the hardships brought on by demonetization and became emotional when explaining that the "mission" of the policy had obliged him to sacrifice his family life.

The prime minister also turns to social media to interact directly with the public. Modi, along with his Bharatiya Janata Party (BJP), embraced this medium with gusto on the campaign trail—a tactic that helped him carry the youth vote, a critical constituency in a nation where half the population is below 25 and nearly two-thirds are 35 or under. Modi's foreign minister Sushma Swaraj even responds to pleas for help on Twitter from Indian nationals experiencing trouble abroad. These strategies further endear Indians to Modi and his government.

### **No Real Contenders on India's Political Hill**

It's not just Modi's leadership style that helps him through the tough times. His popularity is also bolstered by favorable political headwinds. The bottom-line reality about Indian politics is that the ruling BJP faces little major competition on the political stage. The Indian National Congress Party, which ran the previous government and was a longtime pillar of power in Indian politics, has fallen on very hard times since suffering a shellacking in the 2014 election. To be sure, it has scored some successes in recent years—including galvanizing opposition to an ultimately failed Modi initiative to facilitate the ability of Indian businesses to acquire land. In reality, the Congress Party, a long-established and well-funded dynastic party, can never be counted out. But for now, it is a shadow of its former self and has struggled in state elections over the past three years, with victories in only two state polls over the last two years.

The Congress Party's deep unpopularity is rooted in corruption scandals and in the perception that it represents little more than an old, fossilized party out of step with present-day India. Additionally, in December, Congress chief Sonia Gandhi transferred party leadership duties to her son Rahul. Many Indians regard him as an awkward figurehead—the very antithesis of Modi.

The other main BJP competitor is the Aam Aadmi Party (AAP), which rose to prominence on a strident anticorruption platform during the height of the antigraft protests in 2011. However, the AAP has struggled to acquire national clout. It is effectively a local party in New Delhi, where it runs the city government. Its leader, Arvind Kejriwal, has inspired Indians with his populism and anti-status quo message. However, his impact—like the party he leads—is local, and not national.

Modi and the BJP are the undisputed kings of India's political hill. The BJP has triumphed in most state elections over the last two years. This includes the biggest prize of all: a resounding victory in Uttar Pradesh in May 2017. One of the only electoral setbacks for Modi has been his party's loss in Bihar, one of India's most populous and poorest states, in 2015—a defeat that can be chalked up to, among other things, a poorly run campaign that failed to appeal to Bihar's large and poor agricultural class.

Tellingly, just a few months after the Bihar electoral loss, Modi unveiled a new national budget with new investments in agriculture and relief measures for India's poor and debt-ridden small farmers. The agricultural poor are a key constituency of the Congress Party, and Modi was likely intent on enhancing his party's efforts to win them over. In fact, he's been quite successful. Since getting beaten in Bihar in late 2015, the BJP has won seven state elections—Assam, Goa, Gujarat, Himachal Pradesh, Manipur, Uttarakhand, and Uttar Pradesh. These triumphs are in part a validation of Modi's popularity, given that Modi himself was heavily involved in campaigning in several of these elections—and especially in Gujarat, his home state.

With the BJP having won six out of the seven state elections in 2017 (the only loss was in the state of Punjab), the party's confidence is high looking ahead to the eight state polls scheduled for 2018. So long as his popularity remains intact, the party is likely to continue its strategy of using Modi as an active campaigner. The risk, of course, is that should his soaring reputation suffer a blow, his personal involvement in state election campaigns could backfire for the party's electoral prospects.

Despite being a Teflon man, Modi is still vulnerable. He faces many detractors, including Muslims victimized by discriminatory policies, secular liberals who oppose those policies on principle, middle-class urbanites who can't get jobs, and residents of the volatile Kashmir region who resent Modi's heavy-handed security policies. In fact, the detractors could increase in number if signature projects like demonetization continue to sputter and if Make in India fails to take off.

And yet, for now, Modi's new brand of leadership, and the popular goodwill engendered by it, shield him from large-scale public opposition. This doesn't entail outright immunity, but rather a form of insulation. Whereas many other leaders would become beleaguered, Modi has remained strong—and, barring any unforeseen circumstances, perfectly positioned to overwhelm his opponents in the 2019 national election.