



## Guest Post: is Modi a Thatcher or a Hitler?

Apr 28, 2014

By Deepak Lal

In the midst of an interminable election, [all the opinion polls are predicting an absolute majority](#) for the Bhartiya Janata Party (BJP) led National Democratic Alliance. If the polls are right – which they were not in 2004 and 2009 – Narendra Modi, the BJP's prime ministerial candidate, will be at the helm of the world's largest democracy in about two weeks.

So, it is important to assess Modi's character and what he stands for. Given the starkness of the divergent images being projected by those for and against Modi, the question arises: will he be a Margaret Thatcher who restores economic growth and India's standing in the world, or an autocrat who kicks away the democratic ladder which has led him to power, [like Hitler](#), promoting an ideological pogrom against a religious minority?

Like Hitler, Modi is an auto-didact, who [since he implicitly repudiated his child marriage](#) has had no personal life, and is a charismatic speaker, who has run [a highly personalised near-presidential campaign](#). He is also an OBC (Other Backward Caste).

In the myriad of different voices trying to answer these questions and the numerous books trying to support their respective perspectives with purported 'facts', there are two which stand out in providing balanced and factually objective accounts which allow us to answer these questions. They are [by the UK journalist Andy Marino](#), and the independent Indian economist Bibek Debroy.

Like Thatcher (and Indira Gandhi), Modi has sought and achieved control of his party as a radical dissident who has in effect marginalised its 'old guard'. But, will he like Thatcher be [able to rejuvenate his country's economy](#)? Or will he turn out to be a Hitler or another Indira Gandhi – who briefly snuffed out India's democracy during the Emergency?

It is the 2002 communal Gujarat riots which have led to the latter fear. Here Marino, who based his political biography on many intensive interviews with Modi and, being an outsider, is not *parti pris*, is most instructive. He details the events following the burning of a train carrying Hindu pilgrims at Godhra by a Muslim mob, purportedly organised by Pakistan's spy agency Inter-Services Intelligence (ISI), and the subsequent pogrom against the Muslims of Ahmedabad organised by extremist Hindu organisations – Vishwa Hindu Parishad (VHP) and the Bajrang Dal – with whom Modi was at odds because he was not “enthusiastic about the Ram temple cause”.

Marino's judgment, based on an exhaustive review of the evidence including the Supreme Court reports exonerating Modi, seems sound and persuasive:

Although the deaths from the riots occurred during his tenure and although he must carry the remorse for the rest of his life, the facts show that Modi did not want them to happen, did not help them to happen, and did everything within his power as quickly as he could to stop them happening.

In the following 12 years there have been no communal riots in a state where they were endemic.

A second counter to the communalism charge is the electoral strategy Modi adopted in the election he called after the riots. In the 1980s the Congress had perfected an electoral strategy of consolidating the votes of various minorities – Harijans, Adivasis and Muslims – and disaffected upper caste Kshatriyas, by offering them reservations in public sector jobs and universities. This led to periodic riots and divisive politics. These taught Modi “a respect for the Constitution and its definition of secularism”, understood to “mean neutrality of the State towards all religions”.

But, recognising the need to end India's severe social inequalities, Modi saw that in the Nehruvian settlement with its Hindu rate of growth of around 3 per cent, “there was not enough wealth to go around; all that could be done was to take someone's slice of the pie and give it to someone else” – as in caste-based reservations. “The solution was to bake a bigger pie, which would benefit everyone”. This required an “alternative economic model: a free market economy and on the part of the government, investment in social and economic infrastructure to grant the poor a chance to prosper as well.”

The ‘Gujarat model’ was his means to break the Nehruvian mould. It paid off handsomely, winning him three elections. The essence of this model, as Debroy emphasises, was supply side reforms and enhancing economic freedom “by freeing up space for private initiative and enterprise and the creation of an enabling environment by the state... It is about targeted public expenditure through specific schemes... It is one of bureaucratic empowerment and improving the efficiency of public expenditure... It is one of delivering public goods (water, roads, electricity, schools, education)” through private provision and public financing.

Gujarat moved from fifth place in the rankings of an Indian states economic freedom index in 2005 to first place by 2012. India as whole moved from 75th place (out of 144 countries) in the worldwide Fraser Institute's Economic Freedom index in 2005 – when the Congress led United Progressive Alliance government came to power – to 111th place in 2012.

If Modi can apply the ‘Gujarat model’ to India as a whole, India would see the economic revival which its youthful voters so earnestly seek. They are part of the growing urban middle class, which Minna Savala argues is being replenished by a “neo- middle class” of OBCs migrating from the villages. They are an aspiring class, whose caste identity has been eroded. They want growth offering them a brighter economic future. They are also intensely religious, adhering to Hindu rituals in a form of Sanskritisation. But, like their upper caste compatriots, they want a meritocracy and are against reservations. They are part of the Modi wave. They are attracted by Modi’s slogan of “development not doles”.

Modi has also moved away from the hard nationalist Hindutva agenda, with his slogans: “development not deity” and “toilets not temple”. In an analysis of his current campaign speeches Ashutosh Varshney has noted that Modi has departed from the core Hindutava tenets. Given that the evidence suggests that Modi is more likely to be a Thatcher than a Hitler, what explains the almost vituperative hatred of his opponents? Here a distinction I made many years ago between [what I called the two wings of Macaulay’s children](#) provides the answer.

India’s nationalist elite was the product of Macaulay’s famous 19th century “Minute on Education” which sought to create an English-educated middle class. There were two wings; one was the English-speaking Nehruvian wing and the other was the Gandhian wing for whom English remained an instrumental second language. Both faced the problem of reconciling modernisation (requiring a change in material beliefs) with tradition (cosmological beliefs). The cosmological beliefs of the Nehruvian wing came to mirror those of their English peers, those of the Gandhian wing continued to be based on Hindu mores. Till the 1990s, whereas the Nehruvian wing sought to reconcile modernity with tradition through the purportedly ‘middle way’ of Fabian socialism, the Gandhian wing eschewed modernisation to preserve the ancient Hindu equilibrium.

In the 1990s the BJP which had become the major channel for the Gandhian wing saw that, as shown by Japan, it was possible to modernise without westernising. This is now Modi’s credo. As Marino relates:

Modi’s answer to my question about India rushing forward but leaving its heart behind was a simple one: ‘modernization without westernization’.

Whereas the Nehruvian wing still adheres to a form of western social democracy, the growing middle class, which is of the Gandhian wing, is happy with a meritocratic form of capitalism, offering rising incomes without the need for doles.

In the current election, the westernised Nehruvian wing is being overthrown by the sons of the soil from small district towns and villages who are part of this reformed Gandhian wing. It is the rage engendered by the prospect of a mere ‘tea seller’ overthrowing the Nehru dynasty which explains the vituperative attacks on Narendra Modi. But like the ‘grocer’s daughter’ he is more likely to salvage the Indian growth story than any available alternative.

**Deepak Lal is the James S. Coleman Professor Emeritus of International Development Studies at the University of California at Los Angeles, professor emeritus of political**

economy at University College London, and a senior fellow at the Cato Institute. He was a member of the Indian Foreign Service (1963-66) and has served as a consultant to the Indian Planning Commission, the World Bank, the Organization for Economic Cooperation and Development, various UN agencies, South Korea, and Sri Lanka. From 1984 to 1987 he was research administrator at the World Bank. Lal is the author of a number of books, including *The Poverty of Development Economics*; *The Hindu Equilibrium*; *Against Dirigisme*; *The Political Economy of Poverty, Equity and Growth*; *Unintended Consequences: The Impact of Factor Endowments, Culture, and Politics on Long-Run Economic Performance*; and *Reviving the Invisible Hand: The Case for Classical Liberalism in the 21st Century*.