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## Five Blunders of Narendra Modi

Author – Anil Chawla

The other day, a leader of BJP visited my house. When I started criticizing the way BJP was running the central government, he was quick to accuse me of “intellectual frustration” (whatever that means). This was not surprising. I am glad that I was not accused of being anti-national or a traitor. BJP and its leaders do not know how to talk to friends. They react with ferocity even when the criticism comes from a well-wisher. I have seen many of them, including Narendra Modi, from very close quarters. I wish them well and am pained when they make mistakes. There are many who enjoy throwing stones and mud at them – certainly not me.

As a friend and well-wisher, I consider it my solemn duty to point out when a friend is making a mistake. Moreover, when my friend’s mistakes have the potential of causing serious harm to my country I owe it to my country to try to stop my friend from pursuing the disastrous course.

As part of my pursuit of my *dharm*, I shall like to point out to Prime Minister Narendra Modi five blunders that he has made in the past eighteen or so months that he has been in power. The five blunders (in no particular order) are: (a) Make in India (b) Start-up India (c) Smart City (d) Smriti Irani and (e) Arun Jaitley. Let me explain each of the five blunders in some detail.

### 1. **Make in India**

Make in India is an invitation to foreigners to come and make in India. It tells the world that we Indians are morons; our entrepreneurs are too stupid to set up enterprises; we need outsiders (a la East India Company) to do manufacturing in this country; o, the white guys, the superior race, please we beg of you to come and set up industries in India.

Make in India is an anti-thesis of *swadeshi*. No wonder that Swadeshi Jagran Manch, a sister organization of BJP and RSS, is hiding its head in sand somewhere far away.

## *Five Blunders of Narendra Modi*

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After independence, India has made rapid strides in technology and manufacturing capabilities. Our engineers have the capabilities to make practically anything and everything – if they are given the opportunity to do so. They have proven it again and again whether it is nuclear weapon or rocket to Mars or something as mundane as a car. India is one of the very few countries in the world with the capabilities of designing and manufacturing automobiles. The biggest stumbling block for Indian engineers and entrepreneurs has always been its *babus* and *netas* (bureaucrats and politicians). Sadly, with BJP at the helm of affairs the block has become larger and more menacing.



BJP, flanked by RSS and Swadeshi Jagran Manch, and colored in the strong hues of ultra-nationalism came to power on the tacit promise of supporting Indian entrepreneurs, engineers and businesses. Sadly, the opposite has happened. Across the country, entrepreneurs and industrialists are crying; their businesses are sinking. And the Government of India has no time to listen to their woes. Government of India and Reserve Bank of India, under the able leadership of a closet American, see this as an opportunity to kick the entrepreneurs and promoters hard. RBI and GOI have no empathy for entrepreneurs. RBI and GOI are only concerned about the way NPA's (Non Performing Assets) have grown in the past few years. No, the elite rulers cannot be bothered about the systemic reasons for growing NPA's. Even if all the units of a particular sector across the country have gone sick due to faulty government policies or events like coal scam, the men in the ivory towers cannot be bothered. The blue blooded men of the government are busy

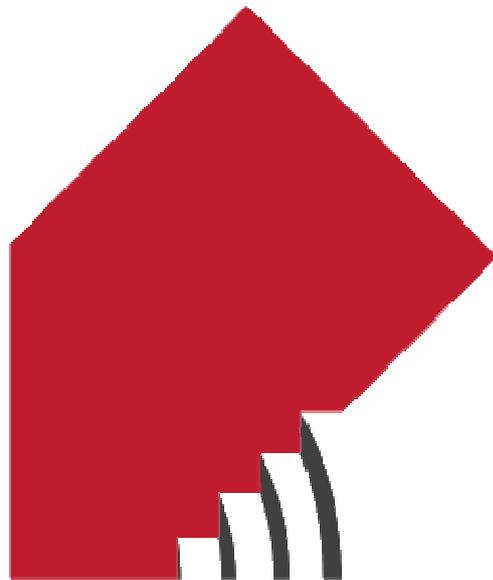
## *Five Blunders of Narendra Modi*

---

consulting lawyers about how to use the NPA status to kick the 'bloody dirty Indian' entrepreneurs out of their enterprises and sell it all to the white-skinned guys who are, of course, angels descended from heaven to save the country.

Does it sound a bit exaggerated? Yes, it does to anyone who is not an entrepreneur at the moment in India. But, ask someone who is going through the pains of running a factory in today's India. I can assure you that he will tell you stories that are so horrible that it will either make your blood boil or curdle. Some time back, Chairman of a stock-exchange listed company rang me up and told me stories of how some public sector banks do not care about their own written commitments and are doing all that is possible (legally or illegally) to throw him out of the business that he nurtured for four decades. Surely, this is not an isolated incident. The atmosphere for Indian entrepreneurs, industrialists and businesses has never been more hostile since independence.

**GLOBAL  
BUSINESS  
FORUM**



Let me give me one anecdote to show the anti-national disaster that Make in India is. In October 2015, IIT Bombay Alumni Association organized Global Business Forum (GBF) at Goa. Manohar Parrikar, Defence Minister, was present at the GBF. I saw him. No, I did not meet him. My friend, S, who is a batch-mate of Manohar and is a significantly more accomplished engineer and technocrat than Manohar, was also present at the GBF. S put in a formal request for a one-to-one meeting with Manohar. The appointment was granted and S went to meet Manohar. Later I asked

## *Five Blunders of Narendra Modi*

---

S about his meeting. S was furious. He said that he is not stupid enough to discuss strategic technological ideas for national defense in the presence of foreigners. When S went to meet Manohar, there were three foreigners representing global corporations sitting besides Manohar. Apparently, the message that Manohar wanted to convey to all IIT alumni present at GBF was that, look, if you want to do business with Ministry of Defense, you will have to go through one of these white guys. Manohar, apparently, believes that in the new environment when Modi government is going to outsource defense manufacturing lock-stock-and-barrel on a long term basis to multinationals, the best he can do for alumni of his alma mater is to act as a liaison between the alumni and the new colonial masters. I also attended the Special Interest Group of Make in India at GBF where the loud-and-clear message was that Indian entrepreneurs should learn to pick up small mercies thrown their way by the large global corporations as part of their local content commitments under Make in India.

Like any patriotic Indian, I am aghast, ashamed and angered by Make in India. The insult to the abilities of Indian engineers, entrepreneurs and businesses is too big to swallow. The red carpet that Modi government is rolling out for foreigners is in sharp contrast to the treatment that it is giving to Indians. It pains to be treated as a second-class citizen in one's own country and more so by people who claim to be ultra-nationalists. Surely, nationalism is much more than just singing *Vande Matram*, shouting *Bharat Mata Ki Jai* and putting up gigantic flags across the country.

### **2. Start-up India**

Most people tend to wrongly equate start-ups with entrepreneur ventures. There is a world of a difference between being an entrepreneur and being promoter of a startup. The concept of startup is a quintessential American concept.

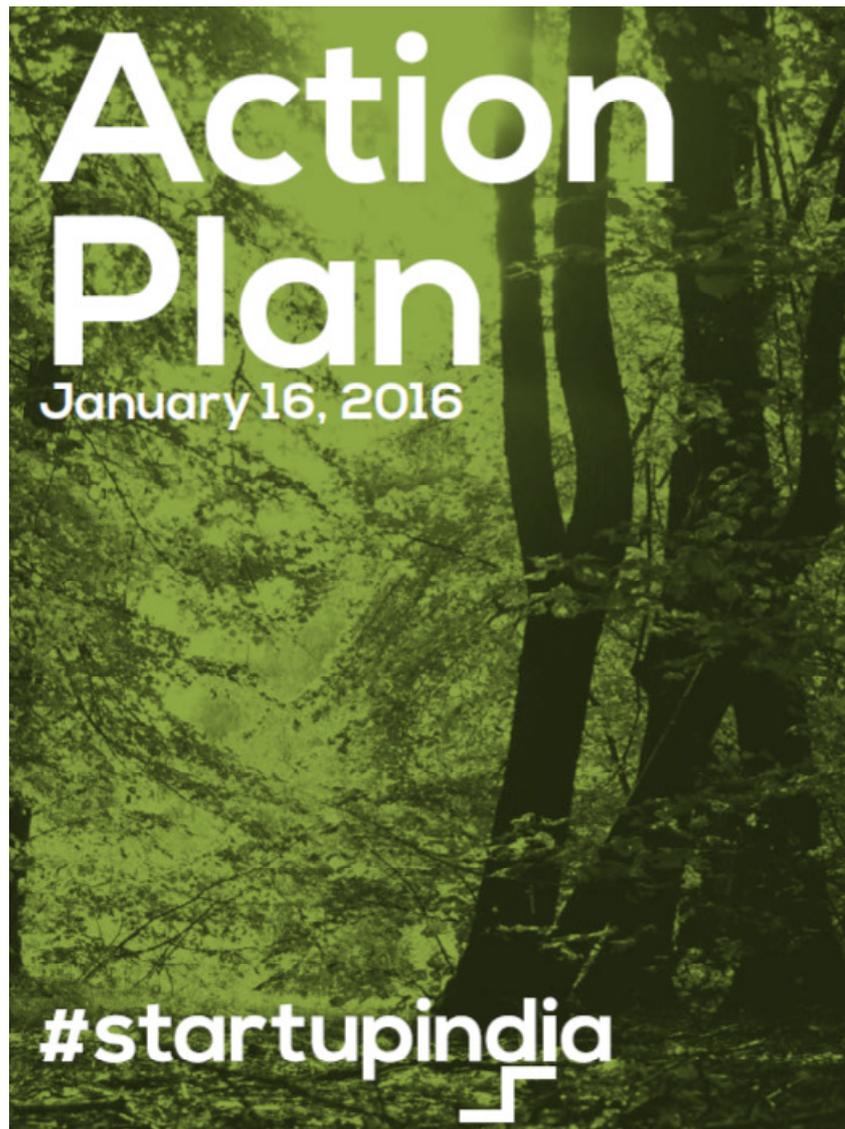
The traditional family value based entrepreneurship model of India and investor controlled startup model are like cheese and chalk. Indian entrepreneurs build businesses with their blood and sweat with dreams of handing it all to the future generations. Startup model is based on making a quick buck, converting x to 10x in short time and retiring (or running away).

Government of India has released Startup India Action Plan dated 16 January 2016. The Action Plan defines Startup as follows: "Startup means an entity, incorporated or

## *Five Blunders of Narendra Modi*

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registered in India not prior to five years, with annual turnover exceeding INR 25 crore in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property. ... Provided further that a Startup shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose”.



Without getting involved with all the legalese, we can be clear that most new ventures started across the country every year will NOT be eligible to be classified as “startup”. Government of India, in its wisdom, is going to set up a centralized Inter-Ministerial Board (IMB), which will certify a venture as startup or not a startup. No prizes for guessing the hidden under-the-table costs involved for getting the

## *Five Blunders of Narendra Modi*

---

certificate from IMB. For a country of the size of India having a central body for such a certification seems a sure recipe for corruption.

IMB certification is not the only hurdle that a venture has to jump before being certified as a startup. It has to be funded or supported by either a PE fund or venture capital or some specified government agency. If a technocrat puts in his own or family funds and starts a venture, he / she will not be eligible for being called a startup.

If one looks carefully at the Action Plan announced by the Government of India, the Plan appears as a well crafted instrument to convince Indian high potential entrepreneurs to sell a significant part of their company equity to one or the other sharks (read, Private Equity / Venture Capital Funds). Government will fund the sharks to buy the equity of such startups and to make money from the innovation strengths of Indian innovators. The government support to the sharks is announced to be of the order of about Rs. 10,000 Crores.

It is not clear why the government has decided to extend the support to various funds which are known sharks and has not found it worthwhile to trust public sector banks for the purpose. The government is setting up a “Fund of Funds” to provide financial support to “daughter funds”. There are too many unanswered questions that such a concept throws up. As it seems, in the name of startups the government is providing budgetary support to financial sector outside the nationalized / public sector banks. Since the Action Plan acknowledges that startups are prone to failure, this may well finally turn out to be a grand scam whereby public money lands up in private hands with no accountability and no gains for the country as a whole. There is also the question of regulating the relationship between the sharks and the poor promoter of a startup. One has often heard terrible stories in this regard. Funding the sharks without any protection of actual innovators and technologists is going to make it all much worse.

Let me ask the proponents of Startup scheme one super-successful venture in the history of independent India that would have been eligible to be classified as a startup. Surely, Reliance or Tata Consultancy or Infosys or WIPRO or Mahindra or Kirloskar or Nirma would never have been eligible to be classified as a startup in terms of the definitions and criteria put forth. On the other hand, major e-commerce giants like Flipkart, Snapdeal etc. did not have any innovation content when they started. Almost without exception, all of them have been clones of e-commerce

## *Five Blunders of Narendra Modi*

---

companies of USA. In such a scenario, what gets classified as innovation and what gets rejected will be purely a matter of discretion. Probably, the only key criterion will be whether foreign-owned funds have found the idea worth investing in.

Most developing countries have grown their industry on the basis of reverse engineering and small steps in the fields of technology. India is no exception. Instead of innovation, if the government had emphasized technological relevance for the country, it would surely have made more sense. Most technological innovations are small smart steps taken in the course of a long, tiring and boring journey. By supporting smart, educated entrepreneurs government and banks can create an eco-system where innovation flourishes. Instead of the grand Start-up Action Plan, government could have applied its mind to change the mindset of bankers who look only at collaterals and refuse to look at the capabilities of entrepreneurs. Of course, that is not as easy as handing over Rs. 10,000 Crores to hungry sharks.

Is the Startup Action Plan based on lessons learnt from global experiences? The concept of startup comes from the USA which is going down in terms of industrial growth. Germany, China, Japan, Israel and South Korea have entirely different entrepreneur eco-systems with no focus on startups. Is it not strange that India is copying a falling giant instead of learning from successes of the rising stars?

This is not the place to discuss business environment of various countries. But, there can be no denying that USA has followed policies which have led in the past five decades of richer becoming richer and poor becoming poorer. It is said that 1% of USA owns more than 95% of the wealth of USA. This level of inequality has on one hand led to social tensions and on the other is leading to stifling of industry and entrepreneurship of the country.

BJP is not a pro-capitalist political party on the lines of Republican Party of USA or the long-dead Swatantra party of India. BJP believes in uplifting of the last man at the end of the queue. Deendayal Updhyay's humanism talks of uplifting the poor and not of funding super-rich so that they can benefit from innovations of the best minds of the country. Sad to say that Startup Action Plan of Government of India is against all that BJP has always stood for.

Fortunately for BJP, the Startup Action Plan has gone almost unnoticed. Even Indian banks have taken no notice of the Action Plan. May I appeal to the bosses of BJP to please correct this blunder before it blows on their face!

### 3. Smart City

I live in Bhopal, a city which is one of the twenty chosen for Smart Cities Mission (SCM). It would appear that I should be elated. But the fact is that within the city of Bhopal opposition to the Smart City Scheme is already building up. Though there is no clarity about what is meant by Smart City, as it seems to most knowledgeable persons, SCM is an attempt to create islands of ultra-superior infrastructure within the existing cities.



Creating islands of prosperity with first world quality infrastructure can be politically suicidal. When Narendra Modi came to power, he proposed that each Member of Parliament (MP) chooses one village to develop as a model village using his MP Local Area Development (MPLAD) Fund. A few MP's did follow Modi's proposal. But most MP's soon realized that creating one village with far superior facilities than all others will be politically disastrous due to reactions from other villages. If a constituency has 2000 villages, a MP who develops only one village risks losing votes from 1,999 villages. No wonder that most MP's refused to go with the suggestion of developing a model village and ignoring all others.

A similar situation is likely to unfold in twenty cities of India with SCM. In Bhopal, it is proposed to develop about 2% of the city in the style of Singapore or Paris. It is

## *Five Blunders of Narendra Modi*

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foolish to think that 98% of the city that is not developed will applaud the development of the 2%. Chances are that the 98% of the city will kick BJP hard where it hurts most. Obviously, the persons who have planned the Smart Cities Mission are architects and bureaucrats who do not understand politics. So, it falls upon us, the friends of BJP, to point out the blunder, which has the potential to wipe out BJP from urban India. Also, let me hasten to add that as a person who believes in the politics of taking care of all sections of society, the whole idea of SCM is abhorrent.

### **4. Smriti Irani**

I do not like to talk of individuals. Hence, it is painful for me to talk about this woman. I am forced to talk about her because the damage that she is doing to my beloved party, BJP, is too enormous to ignore.



I do not want to talk about her personal life; about how she moved from being Smriti Malhotra to Smriti Irani; and also about various rumors concerning her. However, in

## *Five Blunders of Narendra Modi*

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public life, it is difficult to separate rumors from facts. Often perceptions become more important than the real person behind the image. Sad fact is that the perceptions about her are extremely negative. Yes, the actress pleases the die-hard BJP loyalists with her fiery speeches and aggressive gestures. Unfortunately for her, the die-hard BJP loyalists are a minuscule minority. On campuses across the country, a significantly large percentage of the students (and even faculty members) refer to her in such insulting words that are largely unprintable.

The hatred is, of course, mutual. She has never failed to insult and hurt the most respected of the academic community at every public and private forum. She believes that this country's education system has been ruined by all those who were stupid enough to get educated beyond secondary school. She believes that the God has chosen her to kick, punch and be the messiah of this bunch of idiots with Ph.D.'s, D.Litt's and such fancy degrees. And if the idiots do not prostrate to her and accept her divine authority, she is fully justified in delivering more kicks and punches.



Does it sound exaggerated? Let me assure you that it may be metaphorical but is not exaggerated. Let me give one example. From the days of Jawahar Lal Nehru, the process of selection of Director for an IIT was carried out in a set pattern. A selection committee chose four or five renowned professors. Being shortlisted by the committee was a matter of honour. The shortlisted professors were called to Delhi in a most respectful manner. Each professor was called in at a different day and time

## *Five Blunders of Narendra Modi*

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without anyone of the selected few knowing the other selected ones. Initially, Jawahar Lal Nehru himself used to be present in these personal discussions (not called interviews, keeping in view the VIP status granted to the selected professors). Smriti Irani found the whole system of treating learned professors with dignity and respect, highly objectionable. She insisted that there should be a shortlist of twelve professors for each IIT and the process of selection of directors for three IIT's should be combined. At her direction, 36 professors were called for personal discussions all at the same day and time. The earlier kid-glove respectful approach was dumped and replaced by treating the whole bunch of 36 senior-most professors of the country as a herd of sheep. It would have been easy to stagger the discussions with them over one or two days and call each of them at a separate time. But, that would have deprived Smriti the sadistic pleasure of making them wait whole day looking at each other's faces with an expression of an embarrassment. To make it worse, the interviews were cancelled twice after everyone had assembled.

The above is just one instance. One has to sit with academicians at any of the reputed institutions of the country to hear similar sad stories of insults and embarrassments. There is no doubt that Smriti is having a great time kicking everyone with a respectable degree. Stories of this sadistic fun are being passed on from senior professors to junior faculty and then to the students. In the process the damage that she is doing to BJP is enormous.

Narendra Modi came to power riding on the wave of popular support among the country's youth. Modi was seen as the great hope for the country. Smriti can take the credit for singlehandedly contributing the maximum in turning this wave of Modi admiration and adulation to anti-Modi mood. Smriti, by insulting and hurting academicians, has done more damage to Modi and BJP than Sonia, Congress and all opposition parties could do with their constant barrage of attacks against Modi. Surely, Modi needs no enemies when he has friends like Smriti.

### **5. Arun Jaitley**

While Smriti has been having fun hurting learned persons, Arun Jaitley has done nothing of the sort. Actually, that sentence could have been abridged to say that Arun Jaitley has done nothing. Arun Jaitley can be accused of no wrong except that he has done nothing whatsoever and has only continued in the tracks set by his Congress predecessors.

## *Five Blunders of Narendra Modi*

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As far as I know, Arun Jaitley was a non-descript and mediocre lawyer till he was lucky to be picked up to be a Cabinet Minister in Atalbihari Government. As a politician, he is a master of playing his cards well. He has always been close to the top guns at BJP. While he is an expert of knowing which side of the bread is buttered and on keeping the bosses in good humor, his arrogance and egoistic nature is much talked about among BJP cadres. It will not be an exaggeration to say that Arun is hated fairly universally among the rank and file of the party. Personally speaking, I have yet to meet a guy who spoke well of him. No wonder that he has never won an election except, of course, to Rajya Sabha where the top guns of BJP ensure his victory.



Arun, like Smriti, speaks well. It is to his credit that he is able to camouflage his lack of intellectual depth and mediocrity with his impeccable language, style and mannerisms. Unfortunately, language, smartness and style can help one only to some distance. In the long run, one needs to perform.

Performance comes from capabilities, knowledge, ability to build & carry a team, creativity and, in politics, by being in touch with ground realities. Almost everyone

## *Five Blunders of Narendra Modi*

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who has been watching Arun Jaitley for past two years is convinced that he lacks all these qualities.

Arun Jaitley is, in fact, an opposite of all that Narendra Modi represents. While Narendra Modi comes from a small town and from humble family background. Arun Jaitley is a Delhi guy with a family history of political connections. It is an irony that a master of intrigue and political game-playing, Arun Jaitley, has become the face of Narendra Modi Government.

Narendra Modi came to power on the promise of a new economic model and all round economic development leading to prosperity for all. Instead, the country has landed up with a finance minister who has zero knowledge of economics; who is using up all the political goodwill of Narendra Modi to push for Congress economic agenda; who has no new ideas and who is not even ready to even listen to new ideas.

The disaster that Arun has brought on Narendra Modi can be felt by talking to a cross section of Gujarati businessmen in Mumbai. Two years back, they were willing to put up as much money as may be needed to see Modi come to power. Today, they would rather not discuss about Modi or politics. They are disappointed, hurt and feel cheated.

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Dear Modi ji,

Namaskar,

I know that you have no dearth of enemies – people who want to see you thrown into the dustbin of history as soon as possible. Let me assure you that I do not fall in that category.

I worked directly with you in 1998 elections of Madhya Pradesh and have always appreciated your dynamism, hard work, commitment, sincerity and dedication. I think that your failure will be a great loss for our country. I know that your patriotism and zeal for doing well for the country are beyond an iota of doubt.

## *Five Blunders of Narendra Modi*

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In pointing out the above five blunders, I mean no harm whatsoever to you or to BJP. As I said earlier, I am a well-wisher and friend of BJP. My intention to point out the above five mistakes is only to help you correct the course before it is too late.

I do hope that you and your colleagues will take my harsh words as a bitter medicine that will do enormous good to BJP, to your legacy and most importantly for the country.

Anil Chawla

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