

Is Rajasthan the next Gujarat?

Rajasthan CM Vasundhara Raje is trying to transform her state into an economic powerhouse with a raft of reforms. A chronicle of the change that's underway



For two-time chief minister Vasundhara Raje, the initiative of taking the government to the people is part of a strategy to radically overhaul the existing administration to ensure that governance doesn't suffer from last-mile problems.

New Delhi: A day after India celebrates its 68th Independence Day, Vasundhara Raje, chief minister of Rajasthan, and the rest of her cabinet will head out to the Udaipur division of the state—not on a junket, nor for an offsite, but for hard work at the grassroots level.

Over the following fortnight, the cabinet will work out of Udaipur, and, between them, its members will cover 1,600 panchayats, or local administrative bodies, in the Udaipur division, reviewing infrastructure in the rural areas.

“This is the third such trip we are undertaking since our government was reelected. The idea is to review the state of the rural infrastructure, beginning with the panchayat bhawan (building), school buildings, teacher-student ratio and so on,” explained Raje, who led the Bharatiya Janata Party (BJP) to a landslide win in Rajasthan in December.

For the two-time chief minister, the rather unique initiative of taking the government to the people is part of a strategy to radically overhaul the existing administration to ensure that governance doesn't suffer from last-mile problems.

The rural outreach is a logical sequel to the Suraj Sankalp (promise of good governance) programme Raje launched in the run-up to the assembly election last December to drum up political support for herself and the BJP. In the six months ahead of the election, Raje travelled to every constituency in the state to interact with the electorate firsthand. It was an experience, she says, that changed her world view. What she heard led her to conclude that grievance redressal was a key demand at the grassroots; and she realized it could not be delivered without shaking up the local administration. The upcoming review of the rural infrastructure, like the previous two, will be used to identify the problems and the agencies that can deliver the solutions without the usual red tape.

“What we will do is create a database of officials dealing with specific issues. And this will be put online so individuals can directly approach these officials and thereby ease the pressure on members of the legislative assembly (MLAs) who are then freed (up) to devote their time for larger causes,” Raje said.

Alongside, the state government is moving to digitize land records and birth data. E-kiosks, to be set up in the next six months in panchayats, will facilitate delivery of such data on a real-time basis—doing away with the intermediation and delay that often took place when the transaction was routed through the local officer, called patwari. Clearly, Raje is looking to create a compact of trust with the people who so overwhelmingly voted for the BJP, not just in the assembly election but also in the 16th general election—the party swept all 25 seats, which was critical in the BJP getting to a record 282 seats in the Lok Sabha, winning a majority on its own. Armed with this social capital, Raje wants to push ahead on bolder reforms. Some, like the radical overhaul of decades-old labour laws that plague Indian industry, have already been initiated.

Together, these could dramatically transform the province once identified as part of the Bimaru states. The term Bimaru—Bihar (BI), Madhya Pradesh (MA), Rajasthan (R) and Uttar Pradesh (U)—was coined by Ashish Bose, the demographer, in the context of the similarity in their demographic statistics. However, over the past three decades, they have come to signify the sad narrative of social and economic stagnation, and not only because of the phonetics (bimar is the Hindi word for illness).

The new Gujarat

At the turn of the millennium, Narendra Modi took charge as the chief minister of Gujarat with a similarly ambitious agenda. Luckily for him, the state’s administration had, under the aegis of a structural adjustment programme sponsored by the Asian Development Bank, already gone through a major overhaul.

The tailwind of India's growth revival, again led by a global economic surge, created an even better context for Modi to exploit. The rest, as we all know, is history—something that propelled Modi to the national stage as India's 14th prime minister.

Raje seems to be inheriting a similar constellation of circumstances in Gujarat's northern neighbour. Not only is the Indian economy beginning to look like it is ready for a second life, people across India (including Rajasthan) are now driven by their aspirations—as opposed to being happy with entitlements or handouts—leaving them better placed to appreciate the underlying ideology of reform initiatives: no gain without pain.

This change in attitude, and the number of young people in the country (almost 52% of the Indian population is below the age of 35), are among the factors credited with the political resurgence of the BJP. Like Modi before her, albeit in a different state, Raje too is seeking the mantle of being a politician with a difference.

The proximity to Delhi will no doubt be a factor. The Delhi-Mumbai Industrial Corridor and more than a third of the 1,483km-long dedicated western rail freight corridor between Dadri in Uttar Pradesh and Jawaharlal Nehru Port Trust in Navi Mumbai, will pass through the state. Both are game-changing projects that will bring development directly to the state's doorstep.

The traffic between Jaipur and Delhi is dominated by commercial vehicles—as opposed to the trend, say, even five years ago. It is a harbinger of things to come. The question is whether Raje will exhibit the same political will that Modi demonstrated during his three terms at the helm in Gujarat.

Raje's first eight months seem to suggest that she is on course. She first came to power in 2003, lost the re-election narrowly in 2008, and came back from the political wilderness in 2013 to choreograph a spectacular win, giving her a second shot as chief minister. Raje brings along tremendous passion to alter the status quo and is driven by the desire to propel her state to the top tier among the country's states. As she herself admits, her first stint, where her desire for accelerated reforms created politically undesirable disruptions, has prepared her for the second stint—to hit the right pace, not too fast, but not too slow either.

Radical reforms

Raje grabbed national attention after her government announced labour law reforms in early June; this was followed up with another round of reforms a month later. It has since moved legislation to amend four key national labour laws: the Industrial Disputes Act, the Factories Act, the Contract Labour Act and the Apprentices Act.

While Indian industry welcomed the move to amend the laws that allow firms to hire and fire—a long-standing demand—according to their needs, the chief minister herself is very circumspect of the objectives. To her, the labour law reforms were part of a package to create better opportunities for employment.

“I believe if you look at reforms in this (labour) sector, it doesn’t go towards hurting labour; it goes towards improving the habitat for employment and that I think this is very, very important,” she said.

The state’s budget for 2014-15—presented by Raje, who has retained the finance minister’s portfolio—seems to vindicate her claim. Presented in July, the budget accelerates the reforms process, touching upon a range of issues designed to lift the state’s economy, streamline administration, facilitate a greater role for the private sector by putting the public sector on notice, and also initiate rationalization of user tariffs of politically sensitive items like water.

It has initiated “de-nationalization” of the roads network, breaking up the monopoly of the state transport undertaking. (In most Indian states, the state-owned transport corporation has the monopoly to ply on inter-state routes). Raje argues that competition is the key to improving service delivery, which will then justify the move to charge to user tariffs that reflect underlying economic costs. “The most important thing is to be able to create quality delivery. Why would you want to pay for electricity when you don’t get the quality that you should be getting? You get five hours of power cut and you are still to pay electricity bills! Naturally you will protest,” Raje explained.

In an aspirational society, Raje’s logic stands a better chance of gaining traction and provide political cover against critics. Like finance minister Arun Jaitley enunciated in the Lok Sabha during the debate on the Union budget, the Rajasthan unit of the BJP, too, is arguing that you can be pro-poor and pro-business—at the same time.

Inclusion

While the Congress owned the message of inclusion, pioneering the entitlement regime, the BJP, either by coincidence or design, seems to have married this with the philosophy of growth. And it is doing this by empowering people—as Manish Sabharwal, chairman of staffing company TeamLease Services Pvt. Ltd, put it, taking people to the jobs through a massive dose of urbanization and infrastructure creation. Accordingly, Raje has come up with two solutions to deliver on her election promise of empowering the people of Rajasthan. One is a very ambitious financial inclusion programme, the Bhamashah scheme; the other is a restructured skill development programme that will be conducted in coordination with the top companies in the country

and will not only train but also generate employment for those taken into the programme.

The Bhamashah scheme seeks to leverage information technology and the Aadhaar programme (the previous government's unique ID project) to create a database to deliver individual and family-based benefits, including cash transfers under various public welfare schemes, to the beneficiaries directly and transparently.

Meanwhile, Raje is working on making people, especially the young, realize that there are better opportunities than a government job. "I explain to the youth that there are only 800,000 government jobs. What I can do, and I am doing, is to create an opportunity, especially through skill development," Raje said.

To prove her point, in mid-July Raje inked a deal with several companies to train people. "In the next one year," Raje explained, "say, by around next March, 1.34 lakh people will be employed with good salaries. My target for the next five years is employment for 1.5 million people; some of the jobs will come from government, but a large number is coming from outside."

Clearly, Raje has a strategy to propel Rajasthan onto the national stage. Since it relies on a strategy of making people stakeholders in the transformation, it holds out the promise of being the smart thing to do politically as well. It is now for her to walk the talk.