

# India's Pro-Obama Government May Be on Its Last Legs

by Ramtanu Maitra

Feb. 24—A series of money scams, high inflation, a significant slowdown of India's much-touted economic growth, and currying favor with the globalization crowd at the expense of India's vast majority of poor, have brought the Manmohan Singh-led United Progressive Alliance (UPA) to its knees. With a year to go before the next general elections, the government has very few straws to grasp at right now. The Alliance, if it can hold itself together until the death knell tolls, has really no possibility of getting back into power.

It should be noted that during the last general election in 2009, people did not give a mandate to any party, but the Alliance somehow managed to survive because the opposition to it was unimaginative and equally incompetent, if not reeking with corruption.

## An Alternative?

This time around, some people in India have begun to assert that indeed an alternative does exist, in the person of a state leader, Narendra Modi, who is also a leader of the only other national party of note in India, the Bharatiya Janata Party (BJP). Modi, who was elected for the third time in the state of Gujarat, is not a household name across the country, although many have heard of his successes as chief minister in Gujarat. Modi's efforts for development and his ability to keep his stable clean, have drawn attention and pose a challenge to the inept and increasingly dysfunctional UPA. Gujarat today is considered a good example of what can be achieved under solid leadership that is not in power simply to facilitate favors to one coterie or another. Gujarat is surely the most desired target in India for investors—manufacturers in particular.

A senior Indian commentator in a recent website posting pointed out that Modi has strong support from the young. "He is not a complainer. He does things exactly as the young do. Modi is like an entrepreneur who knows how to squeeze the best out of the system. Modi is a wealth-creator, precisely what the young seek, and the Gujarat chief minister, unlike Manmohan Singh and

other World Bank/IMF economists" who are in power in Delhi, "is at home with the Indian model." He comes across as an outsider to New Delhi politics, and India is tired of insiders, who have come to be represented by the Nehru-Gandhi dynasty in the main, the commentator added.

If Modi is indeed as good as some say, it is important that he emerge as the prime minister-in-waiting. Apart from the fact that it is not evident how many Indians have a clear image of who he is or what he could deliver, his biggest obstacle could be his own party leaders, who have enmeshed themselves with the corruption that has become the hallmark of the Manmohan Singh-led government. A quartet consisting of L.K. Advani, Sushma Swaraj, Arun Jaitley, and Nitin Gad-



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*Narendra Modi, the chief minister of Gujarat, presents a potential alternative to the failed policies of Prime Minister Manmohan Singh. But will he defeat his enemies in his own BJP party?*

kari of the RSS party has not only played along with the corrupt UPA administration, but is believed by some to have enriched themselves financially from the scams perpetrated by those whom they purport to oppose. The quartet, unwilling to address India's real problems, has never shaped a political agenda that would address reality and build popular support.

That reality is that 400-500 million people live without electricity and many more millions lack safe drinking water; that millions of children do not have any opportunity for a fair lot in life; that millions of poor who live from hand to mouth cannot survive with year after year of 10% or higher inflation; that this nation of 1.2 billion people will not be able to assume its rightful place in the world unless these 400-500 million are provided with education, skill, and a life that offers them hope.

In all likelihood, this quartet will do its very best to quietly soil Modi's positive image and, in the process, help the failed UPA to secure yet another term of five years in office.

### **Obama's Guru: Manmohan Singh**

President Obama calls Prime Minister Manmohan Singh his economic "guru." The "success" of Singh's *chela* (disciple) in pushing the United States to a path of unmitigated disaster on every front, should not come as a surprise. While Obama is a handmaiden of the Wall Street-City of London financial mafia, Singh comes virtually from the same stable. His education at Oxford and his years with the World Bank imbued him with the absurd notion that money *is* the economy, and his ten-year tenure as Prime Minister in India shows that he never grasped, nor even tried to grasp, what a national economy is, or what creates national wealth.

Neither Singh's Congress Party, the single largest party in the 2009 general elections, nor Manmohan Singh himself, were the people's choice. The Congress Party bagged less than 25% of the parliamentary seats. The UPA cobbled together state parties lured by Cabinet positions (if not by money outright), to gain a majority. Singh never even ran in the election.

Manmohan Singh is a packaged product delivered from outside by the international financial and corporate powerbrokers who saw him as the pawn that he is.



PIB of India

*Prime Minister Manmohan Singh, Obama's "guru," arrives with other Cabinet ministers at the Parliament on Feb. 21 for a session on the budget. India's economic growth is sputtering under his incompetent leadership.*

He was foisted upon the Indian people by Congress Party President Sonia Gandhi, the Italian-born widow of Prime Minister Rajiv Gandhi (d. 1989). Singh was sold to the electorate as an economist, an honest and apolitical technocrat. All those qualities have now pretty much vanished.

### **Bowing to the Financial Mafia**

This is why. Singh is considered by many in India as the most pro-U.S. Indian politician ever to sit in the prime minister's chair. The problem is that the United States that Manmohan Singh kowtows to so slavishly is currently led by a financial-corporate mafia, whose principal objective is to use the military to indiscriminately kill people anywhere in the world and to create toxic financial instruments to suck out the real wealth of other nations. They have their collaborators within India's corporations, many of which have become global.

This mafia "likes" Manmohan Singh because he believes in "reform"—by which he and they mean unshackling the Indian economy from its legacy of state-controlled "bondage," and paving the way for the global corporations to grab up large chunks of India's economy. Last November, millions in India took to the streets to vent their anger over a move which could see international bulk retailers like Tesco, Carrefour, and Wal-Mart, entering the \$500 billion Indian consumer retail market.

Last week, millions participated in a general strike protesting two recent decisions of the UPA government: preparing the ground for Tesco, Wal-Mart, et al.

to enter India's retail sector, and allowing corporations to open up private banks. Earlier, protesting against Singh's Foreign Direct Investment (FDI—some in India call it the "Foreign Destruction of India") reform policy, which helped foreign companies like Wal-Mart to enter the lucrative Indian retail market, a key ally, Trinamool Congress, the ruling party in the state of West Bengal, left the UPA, making it a minority alliance in the Indian Parliament.

Why Singh and his two major props, the finance minister and the deputy chairman of the Planning Commission, took such extreme risks to satisfy Wal-Mart, while facing such strong public opposition and political danger, is not hard to explain. Wal-Mart prepared its entry into India in 2010 with a \$100 million investment into a consultancy that had no employees, no profits, and a scant \$14,000 in revenue. The company, called Cedar Support Services, is now the focus of an investigation by India's financial crimes watchdog, to find out whether the company broke the FDI rules by putting money into a retailer before the government had thrown open the sector to other global players.

The pressure on Singh to push the FDI reform bill surely came from higher-ups who are not Indian, but global. The U.S. wish list vis-à-vis India—from nuclear commerce to Wal-Mart's entry into the Indian market—as former Indian Ambassador M.K. Bhadrakumar pointed out in an article, is lying on Obama's desk. Obama would have known that changes were likely in the stewardship of India's finance ministry. The Western media had been criticizing then-Finance Minister Pranab Mukherjee as the main hurdle in the way of "reform"; he was shoved out in July 2012 and made the President of India—a position of great honor, but almost zero political power.

The Obama Administration has acknowledged Singh's delivery to the financial mafia of at least one item from the White House's wish list. On Feb. 12, U.S. Undersecretary of the Treasury for International Affairs Lael Brainard told reporters ahead of the G-20 Meeting of Finance Ministers and Central Bank Governors in Moscow: "I have been very favorably impressed by some of the recent reform efforts undertaken by the Indian government. . . . We have seen some important reform commitments subsequent to that, which I think bode well. Of course he is going to continue to want to improve its investment in areas such as infrastructure and in financial markets to enable more vibrant investment response. We support those efforts, and we're

going to continue to engage India through our bilateral dialogue and also in the G-20."

In addition to this endorsement of Singh's penchant for "reform," last December, Goldman Sachs issued a statement expressing its continuing faith in Manmohan Singh, while asking for yet another pound of flesh. "India in many ways remains the most complex of the four [BRIC nations, Brazil, Russia, India, China], with its demographics giving it the best potential GDP growth rate, but its inability to introduce effective policy change is a persistent source of disappointment," said Goldman Sachs Asset Management Chairman Jim O'Neill. "This being said, there are lots of policy changes being discussed and the Indian stock market seems to be quite excited about something. . . . We think 2013 Indian GDP will probably exceed expectations, as there are indeed signs that policymakers might also positively surprise," O'Neill added. He did not put any figures to his estimates.

### **The Headley Fiasco**

Besides the UPA's slavish approach, led by Obama's guru, there is yet another giveaway that Manmohan Singh turns almost into an invertebrate when it comes to standing up to irrational and dangerous diktats of the Obama Administration. For instance, consider the case of David Headley, a terrorist.

The Mumbai attack in November 2008 is considered by Indians as similar to the U.S. 9/11 in all its dimensions. There was never a question that the people in India wanted to punish all those who were involved in committing that crime. David Headley, an American, who was an FBI agent-cum Lashkar-e-Taiba terrorist-cum drug runner, made public under a plea bargain that he was in Mumbai doing reconnaissance work for the attackers. Headley was tried in the U.S. courts and given a 35-year sentence.

Why did the Singh government authorize the United States to enter into a plea bargain with a terrorist wanted in India? Or, why did the prime minister not stand up against it?

Headley was deeply implicated in a massive terrorist operation within India. Prior to his sentencing, the Singh government declared that India wanted him to receive the death penalty. However, the Obama Administration's Attorney General Eric Holder announced that the United States would not extradite him to India, unless he were to violate the terms of his plea bargain. As one senior Indian commentator pointed out, this was an "unreachable lollipop for Manmohan Singh and his pro-American cabinet."