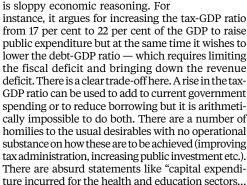# Strategy? What strategy?

The NITI Aayog has unveiled its 41-chapter "Strategy for New India @ 75." I am baffled as to why such a document is produced so late in the lifetime of this government. Still, the intention is welcome; since the abolition of the Planning Commission, there has been no comprehensive attempt to specify a strategic framework to secure India's development objectives.

Strategy is defined in the dictionary as "a plan of action designed to achieve a long term aim". I was hoping this is what I would find in this voluminous document. I was disappointed.

A plan of action specifies what needs to be done as well as how. The first chapter is about growth. I see no growth strategy. Instead there are assertions that, to achieve 8 per cent growth, investment needs to be raised to 36 per cent of gross domestic product (GDP) and exports increased to almost double what they are currently in dollar terms. There is no analytical indication of why this would secure the desired growth rate and why these specific targets (why not 30 or 40 per cent? Why not tr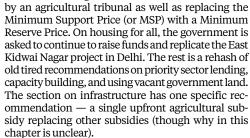iple exports?). There is sloppy economic reasoning. For instance, it argues for increasing the tax-GDP ratio from 17 per cent to 22 per cent of the GDP to raise public expenditure but at the same time it wishes to lower the debt-GDP ratio — which requires limiting the fiscal deficit and bringing down the revenue deficit. There is a clear trade-off here. A rise in the tax-GDP ratio can be used to add to current government spending or to reduce borrowing but it is arithmetically impossible to do both. There are a number of homilies to the usual desirables with no operational substance on how these are to be achieved (improving tax administration, increasing public investment etc.). There are absurd statements like "capital expenditure incurred for the health and education sectors... should be excluded from estimates of revenue expenditures." Actually they are. School buildings etc. are counted as capital expenditure. The "strategy on exports" include statements like "focussed effort on the logistic sector is needed". "Improve connectivity by accelerating announced infrastructure projects", "explore closer economic integration with south Asia." Such statements have no strategic content. No one would argue the opposite (reduce connectivity, shun closer economic integration). These are typical bureaucratic homilies that have traditionally been used to mask the vacuity of strategic direction.

A slew of disparate measures are proposed on skills and labour reforms with no explanation of how these would enhance the employment intensity of growth. The chapter on technology proposes even more technology bureaucracies (e.g. "an empowered body...to steer holistically the management of science"). The industry chapter has one concrete recommendation — a portal to monitor projects. The second chapter on doubling farmers' income, the best in this document, recommends specific amendments to legislation and replacement of the Commission for Agricultural Costs and Prices (CACP) by an agricultural tribunal as well as replacing the Minimum Support Price (or MSP) with a Minimum Reserve Price. On housing for all, the government is asked to continue to raise funds and replicate the East Kidwai Nagar project in Delhi. The rest is a rehash of old tired recommendations on priority sector lending, capacity building, and using vacant government land. The section on infrastructure has one specific recommendation — a single upfront agricultural subsidy replacing other subsidies (though why in this chapter is unclear).

The same is true of the chapters on surface transport, railways, civil aviation, shipping and ports, and logistics. Recommendations in these chapters either ask that current projects be continued or even more government bodies be created. The section on inclusion has some good recommendations on addressing students' mental stress but is otherwise as low in strategic content as the rest of the document. This is unfortunately also true of the chapters on skill development and health (though the chapter on universal health coverage does have at least a few concrete recommendations).

I could go on but that would be repetitive. The key takeaway for me is this: There is political clarity on economic objectives but no strategic plan on what needs to be done by the implementing executive to achieve these. The "solutions" proposed are standalone. Worse, apart from the exceptions noted above, these either recommend more government, more complicated regulation, or more of the same. There is a development aspiration but no co-ordinated development strategy.

The malaise is institutional. Apart from the negative political costs of delivering homilies as opposed to results, this suits those who benefit from incoherence in strategic vision. Absent a concrete strategy, all initiatives are discretionary and ad-hoc. This maximises entrenched vested interest power. Lip service is paid to political wishes through cosmetic initiatives and event management. This, in turn, does not deliver, raising costs to the politician, but not to the implementing executive and vested interests. Fear of retribution and capricious use of coercive power by a weak governance system that cannot deliver results but can shoot the messenger means fewer capable people are willing to work with government and speak truth to power. This further weakens political management of the executive.

The weakness of this "strategic" document yet again warns of this spiral and the need for forthcoming governments of whatever hue to take transformation seriously, to govern for results when in office, and not just to exult in the act of exercising negative power and self-congratulatory event management.

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