

Dr Manmohan Singh - Time to Write Full Facts-based History

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"I honestly believe that history will be kinder to me than the contemporary media, or for that matter, the Opposition parties in Parliament. I cannot divulge all things that take place in the Cabinet system of Government. I think, taking into account the circumstances, and the compulsions of a coalition polity, I have done as best as I could under the circumstances," noted Dr Manmohan Singh.

Dr Singh stated this while answering a critical question at his last press conference as Prime Minister held on 3rd January 2014.

Well, time has come to revisit his contribution to India's growth story spanning over four decades.

Let TIOL Fiscal Heritage Award to Dr Singh serve as a signal to unearth unreported or forgotten facts that shed light on his persona.

Let the process of rewriting history on Dr. Singh begin right now. One can assess his role from 5 perspectives: 1) As an economist-official (policy maker) in government, 2) as Finance Minister, 3) as Prime Minister, 4) as statesman and 5) as human being.

In his first role that began in 1971 as Economic Advisor in Ministry of Foreign Trade (Commerce Department now), he worked well against odds within the Government system to get the growth wheel moving. And he did so while adjusting to the varying contours of political leaders at the helm of affairs. He fine-tuned his knowledge and experience on economic challenges in his role as policy facilitator.

This is evident from in an interview on pre-budget economic survey broadcast by All India Radio on 26th February 1974. As Chief Economic Advisor, Finance Ministry, Dr Singh replied to interviewer:

"I am quite convinced that fiscal policy has to be used in this country as an important instrument for the man management, also for ensuring that the resources are channelled to right direction in accordance with our national priorities. But I think we must recognise the institutional limitations in which fiscal policy in the budget must operate in this country."

Delivering results within constraints in a government system as non-cadre civil servant is not an easy task by any standard. And Dr. Singh performed this job well even amidst chaos within the political executive/ruling regime. This becomes evident from the World Bank's (WB's) files on India.

A WB's Office Memorandum (OM) dated 27th September 1978 on Janata regime's Finance Minister H.M. Patel meeting with WB President Mr Robert S. McNamara is enlightening.

Dr. Singh, then Secretary, Department of Economic Affairs (DEA), had accompanied Mr. Patel to WB Headquarters in USA. As put by OM, ***"Mr. McNamara expressed concern about Bank Group disbursements. A poor disbursement record would have implications for future commitment levels."***

OM stated;

"Mr. Hopper (WB Vice-President) pointed out that through the Minister's and Dr. Manmohan Singh's interventions, a few projects in which we were experiencing serious problems had been put back on track."

David Hopper was WB's Vice-President for South Asia at that time.

The very next month Mr McNamara visited India. He called on Mr. Patel on 10th October. During the meeting, Mr. Patel sought WB funding for the proposed Narmada river multi-purpose project of which Sardar Sarovar dam is the flagship. Dr. Singh, who was present in the meeting, proposed funding by other members of Aid India Consortium for this **"massive scheme"**.

WB's OM on this meeting stated:

"Mr. Hopper was confident that arrangements for the financing of the Narmada Scheme would be worked out within the Consortium either as part of the ongoing aid program of the various members, or, if necessary, in the form of additional assistance. He had already agreed with Dr. Manmohan Singh to set aside some time at the next (Aid India) Consortium meeting for the discussion of the Narmada Project."

Has Gujarat Government ever acknowledged Dr. Singh's role in securing WB loan for Narmada project? No.

Certain approvals are granted by Narmada Control Authority (NCA) in which four States and the Centre are equal partners. Certain other clearances fall in the domain of Union Ministry of Environment and Forests. The project suffered delays and multiple reviews due to NGOs strong lobbying against on environmental issues and huge gaps in relief and rehabilitation of displaced villagers.

A WB backgrounder prepared for Mr. McNamara's visit to India during October 1978 shows how Dr. Singh faced development challenges amidst political flux.

The backgrounder says:

"Chandra Shekhar, President of the Janata Party, reportedly said to a member of our party that the political situation is falling apart (a fact apparently confirmed by Manmohan Singh). There are tribal conflicts, caste conflicts, power fights, opposition of young to old, and left to right. He predicted that the coalition will not hold and Desai will fall before next March. The economy will carry on slowly, but at a declining rate of advance."

The Backgrounder adds: **"Reflecting the weakness in the political situation, Manmohan Singh proposes to cut the number of projects in the Bank's program by 35% (shifting to a different mix), because he cannot obtain policy decisions from the Central Government."**

It quotes Dr Singh as saying: **"Everything you hear is ideas -- only ideas -- there is no agreement on implementation."**

A glance through WB archives shows that Dr. Singh's recurring concern was the country's economic competitiveness and ability to boost exports on sustained basis to rein in current account deficit.

According to WB note prepared for Mr. McNamara's visit to in India during March 1981, **"Manmohan Singh (then Member-Secretary, Planning Commission) stated that he was pessimistic about the growth of other exports, and said 'the practice of control of everything case by case leads to a degree of centralization incompatible with rapid growth of exports'."**

Dr. Singh has had a multi-dimensional view of developmental challenges that India faced. This is amply reflected in his interaction of WB officials. As Member Secretary, Planning Commission, he shared McNamara's concern over population explosion. It is apt to cite the record of the meeting with Planning Minister on 28th March 1981 in which Dr. Singh was present.

As put by the Record,

"Turning to population Mr. McNamara said that he was seriously concerned by the recent Census results which showed a continuing rapid growth. Furthermore, he had been unable, particularly during his visit to villages in eastern Uttar Pradesh, to detect a sense of urgency to cope with population growth. Dr. Manmohan Singh replied that the rate of population growth was indeed alarming."

Have a look at another WB's OM on his meeting with WB President Mr Robert S. McNamara on 2nd May 1978 at Washington, **"Dr. Singh acknowledged that India's policy makers clearly had a psychological barrier to break after years of experience on the brink of financial viability."**

This perhaps improved his conviction for the need for radical reforms. It reflects in his Keynote Address at 1989 World Bank Annual Conference on Development Economics. Titled **'Development Policy Research: The Task Ahead'**, Dr. Singh delivered this speech as Secretary General of the South Commission (SC), Geneva.

SC was an entity comprising leading lights from all the continents of the South. It was formed in 1987 to promote cooperation among developing countries (South-South Cooperation). In 1990, SC submitted a report captioned **'The Challenge to the South'**. This was a major contribution of Dr. Singh towards inclusive development of the world.

In his 1989 keynote address, Dr Singh stated:

"My own guess is that a good case can be made for substantial deregulation in many developing countries. Judging by the Indian experience, for instance, such regulatory measures as industrial licensing and import controls could be loosened with much social and economic advantage. However, there are no universal rules to determine the proper mix of regulation, promotion, and reliance on market forces."

He also pointed out that

"Anti-public sector sentiment cannot, however, be dismissed as purely an expression of ideological bias. There have been visible gaps in the performance of the public sector. Results of public sector operation in India, for example, have fallen far short of original expectations. The enterprises have been effective in bringing some balance to the regional distribution of industry-an important consideration in managing a polity as diverse as India-and have been pioneers in introducing new technology. But, perhaps because of the monopolistic environment in which they often operate, they have not kept abreast of technological developments. The biggest disappointment has been their failure to generate adequate surpluses to finance sustained expansion of investment. Both operational deficiencies and restrictions on their freedom to vary prices have contributed to this outcome."

He added:

"But if further expansion of the public sector is not the answer, neither is wholesale privatization of existing public enterprises. Even in countries where the private sector is quite well developed, such as India, private sector management even of unsophisticated industries, such as textiles, has been far from encouraging. The privatization experience of developed capitalist countries has little relevance for developing countries with limited entrepreneurial and risk taking capabilities. Moreover, economic policies do not operate in a political vacuum. Often, proposals for large-scale privatization do not enjoy wide public support. Thus, in practice, there is often no alternative but to get on with the task of improving the efficiency of public enterprises."

This showed that he believed in blending hard-core reforms with pragmatism. He applied such approach when he was inducted as Finance Minister by Prime Minister Dr. P.V. Narasimha Rao in a Congress-led coalition Government formed in mid-1991.

With virtually empty foreign exchange kitty & plummeting investor confidence in India, Mr Rao had no option but jettison mental barriers to reforms without which India could not realize its economic potential.

The impact of Dr. Singh's big-bang reforms since July 1991 was succinctly summed up by IMF economist Dr Ranjit Teja in Finance & Development Magazine's January 1992 issue.

Dr Teja wrote: Dr Singh's

"budget proved to be a watershed in policy orientation, insofar as there was a decisive shift away from economic intervention and a highly gradualist approach to reform. By far the most far-reaching step was the virtual abolition of the complex system of industrial licensing, which had for decades governed the entry, expansion, and diversification of industries."

As PM, Dr. Singh, however, didn't get free hand from Congress President and coalition partners in governing the country.

A lot has been written on this on the basis of limited information and biases. Modi Government only made 710 files public on National Advisory Council (NAC) which Mrs Sonia Gandhi chaired.

NAC maintained regular flow of advisories to the Government under the influence of NGOs and activists who usually dislike holistic approach to problems. The Government constituted NAC on 31st May 2004. It supposedly worked under the administrative control of Prime Minister's Office (PMO) and had annual budget duly approved by Parliament as part of Union Budget.

Modi Government should also make public all classified documents excluding ones relating to national security. Let much-maligned Dr. Singh get a chance to get justice from truth-seekers.

One can sense how tough would it have been Dr. Singh to accept repeated slurs. The fact remains he didn't resort to vindictiveness. This is, in itself, an act of Statesmanship.

As for his assessment as a human being, an instance should suffice.

In July 2006, Dr Singh visited villages in Vidarbha region of Maharashtra for a few days to get first-hand feeling of agrarian crisis that forced many farmers to commit suicide. After the visit, he did announce a package of initiatives to ease crisis in Vidarbha and other parts of the country where farmers committed suicide.

In his address to the nation on 15th August 2006, Dr Singh stated:

"When I visited Vidarbha, the plight of the farmers there made a deep impact on me. The agricultural crisis that is forcing them to take the desperate step of committing suicide needs to be resolved. We need to think about how we can provide a decent livelihood to our farmers?"

He added:

"In Vidarbha, I was pained to meet families of farmers who had committed suicide because they could not repay the loans they had taken to meet the cost of health care of their loved ones. We will take every possible step to help people overcome the burden of poverty and disease."

Let us hope the historians would one day get full access to all UPA regime documents, especially the classified ones. Dr. Singh deserves justice from the polity.