**The Hindutva rate of growth**

[**Dr. Usman W. Chohan**](https://nation.com.pk/Columnist/dr-usman-w-chohan)

December 10, 2020

India’s economic growth in the early decades following independence was extremely low. Between 1950 and 1980, its economy grew on average 3.5 percent per annum, which translated into a per capita income growth of only 1.3 percent per annum. To many development economists, this appeared to be a systemic feature of the Indian economic model, and even to its psyche. As a result, the term “Hindu Rate of Growth” came into fashion when describing what seemed to be an inherently static economic system.

When Manmohan Singh implemented reforms in 1991 that restructured part of the “License Raj,” changed legacy attitudes towards foreign capital, and drew upon the energies of private enterprise, it unleashed a powerful economic boom that lasted two and a half decades. During the period 1991-2015, the Hindu Rate of Growth was largely forgotten. India garnered considerable foreign direct investment (FDI), reshaped its national brand, and became both an arrogant and dangerous actor in the South Asian region.

[Japan extends Middle East defense mission for one year](https://nation.com.pk/11-Dec-2020/japan-extends-middle-east-defense-mission-for-one-year)

Although the post-1991 economic growth spurt was significant, there were many deep structural issues that were left unattended. Its aspirations and pretences to hegemony grew faster than its 8 percent per annum economic growth did. The three gravest problems that were not remedied despite the long boom were; rampant large-scale corruption, stark inequalities and avoiding the next level of economic restructuring.

On the first point, a significant determinant in the loss of the Congress party’s reputation over the past 15 years was its large-scale corruption, largely because the sums involved were of such enormity and involved so many national sectors. As an example, the scale of corruption found in the 2008 2G Spectrum scam amounted to $40 billion dollars. This helped open the door to a Hindu supremacist political faction that rules the country today.

On the second point of stark inequalities, it is important to note that the vast portion of gains from India’s economic growth have gone to a tiny cabal of families. There are 115 billionaires in India today, and their concentrated power dwarfs the vast underclasses of India, where two-thirds of a billion people in the country still live on $2 a day. The distress of inequality has proven a ripe ground for Hindu supremacist populism and the scapegoating of Muslims in India as well.

[Twitter unamused as Time magazine picks Biden-Harris duo as 'person' of year](https://nation.com.pk/11-Dec-2020/twitter-unamused-as-time-magazine-picks-biden-harris-duo-as-person-of-the-year)

On the third point of remaining reforms, it is worth remembering that the reforms of 1991 were very low-hanging fruit that was readily picked by a technocrat team without too much political factionalism. The elementary reforms helped fuel a long boom, but that phase has run out of steam. For longer-term sustainable growth, there are much more sensitive transformations that must be undertaken across the economy, but these are held back by hundreds of different interest groups across India. They are unlikely to come to agreement, and this where brute force tactics by the ruling government often tend to backfire.

This is why most long-term economic forecasts are not coming to grips with the economic turmoil unleashed in India under the BJP. They simplify their understanding of India’s deep economic malaises by simply assuming that India can follow China’s growth trajectory with a 20-year delay. This comparison is frivolous, because China underwent a series of gut-wrenching transformations since 1949 that allowed successive governments to build on essentially a blank slate. By contrast, India carries historical burdens, both of an economic and psychological nature, that lead to many hang-ups and to the mis-prioritisation of its ambitions.

[EU DisinfoLab's report reveals Indian hybrid war against Pakistan: FM Qureshi](https://nation.com.pk/11-Dec-2020/eu-disinfolab-s-report-reveals-indian-hybrid-war-against-pakistan-fm-qureshi)

In fact, the current BJP government has failed to address corruption, inequality, or fundamental reforms in any meaningful way. Its attempts to change Indian society have been sociopathic in their ruthlessness; the Citizenship Amendment Act, the demonetisation scheme, the coronavirus lockdown disaster, the illegal unilateral annexation of Kashmir, and the current neoliberal brutalisation of India’s farmers. Each of these is no less than a catastrophe for India’s longer-term prospects.

This is where the Hindu Rate of Growth should be updated to the “Hindutva Rate of Growth.” Instead of forging peaceful relations with its major neighbours, facing up to its limitations, and pushing for inclusive and compassionate development approaches, the Hindutva Rate of Growth is a reflection of deep-seated misanthropic attitudes that seek to gloss over the hard labour of building stable societies.

As with many emerging market crises that affect multiple countries, one often finds that some countries bounce back quite quickly, but others are left with permanent economic scarring. For example, the Asian Financial Crisis of 1998 led to a permanent decline in Thailand’s growth rate relative to other Asian Tigers. Similarly, the Latin American crises of the 1990s left Argentina with a permanently stunted growth rate relative to other regional economies. The same is likely true of India in the post-COVID-19 world, where India’s annual GDP decline is forecast to be at least -10 percent.

[PM Khan appoints Sheikh Rashid as Interior Minister in cabinet reshuffle](https://nation.com.pk/11-Dec-2020/pm-khan-appoints-sheikh-rashid-as-interior-minister-in-cabinet-reshuffle)

The arrogant liberals of Delhi had re-written their narrative after 1991 to feign a permanently rising national trajectory. Three decades later, their fascist successors in Delhi are unwittingly bringing to life a new narrative of permanently stunted economic growth rates. Perhaps similar to the Hindu Rate of Growth in magnitude, the Hindutva Rate of Growth is realising the same failures but for different reasons. In the past month, India went through the largest workers’ strike in human history, amounting to 250 million taking a stand against the Hindutva Rate of Growth—and yet the political capital of the BJP is as large as ever.

Unfortunately, this may catapult India’s increasingly radicalised population towards mayhem. With the psyche of a rampaging elephant, it may try to trample on neighbours, but only suffer further injuries and humiliations in return. The India-Pakistan standoff of 2019 and the India-China standoff of 2020 were both examples of such embarrassments for India, seeking to divert attention from internal collapse towards external enemies who are increasingly cooperating against its violent instincts.

[Virgin Atlantic's first flight to Pakistan lands in Islamabad](https://nation.com.pk/11-Dec-2020/virgin-atlantic-s-first-flight-to-pakistan-lands-in-islamabad)

Development economists may therefore find that the Hindu Rate of Growth is a term that might, with a slight modification, come back into vogue and then stay for a very long time.