

# ISAS Brief

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## Much Ado about Nothing

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### Abstract

*The Cabinet reshuffle in India in January 2011 was a damp squib. The major portfolios – finance, home, external affairs and defence – were left untouched. There were only a few relatively minor changes in portfolios and promotions to a handful of ministers. Though a bigger reshuffle has been promised after the forthcoming budget session of the Parliament, the Government seems to have lost an opportunity to make a statement of intent at a time when the country is besieged by scams, inflation and a Parliamentary deadlock.*

Not much was expected of the Cabinet reshuffle in India in mid-January 2011. But even by that yardstick, the reshuffle on 19 January 2011 was decidedly underwhelming. At a time when India is being buffeted by corruption scandals, a spike in prices of essentials and a Parliamentary impasse, there was little by way of sending bold signals. Indeed, the UPA (United Progressive Alliance) Government and the Prime Dr Minister Manmohan Singh seemed to have lost an opportunity of countering the impression that they have lost their way over the past few months. All that happened were a few relatively minor changes in portfolios and promotions to a handful of ministers.

The major portfolios – finance, home, external affairs and defence – were left undisturbed. The most significant change was the appointment of S. Jaipal Reddy as Petroleum and Natural Gas Minister replacing Murli Deora, who was shifted to the relatively insignificant Corporate Affairs Ministry. Deora's stint in the Petroleum Ministry has not been without controversy and his close links with business groups have come in for criticism.

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The other prominent change was moving Praful Patel out of the high-profile Civil Aviation Ministry to Heavy Industries and Public Enterprises. Even though Patel was promoted to Cabinet rank, in terms of the profile of the Ministry, this is a distinct downgrading. Again, like Deora, Patel had faced criticism for his link with the private sector airlines as well as for his ineffectual handling of India's national carrier, Air India, which is in terrible shape. The new Civil Aviation Minister, Vayalar Ravi, will handle this additional responsibility along with his existing charge of Overseas Indian Affairs. Patel's boss, Nationalist Congress Party (NCP) chief, Sharad Pawar, has also been divested of Consumer Affairs, Food and Public Distribution. Given that food prices have spiralled out of control and with Pawar's increasing pre-occupation with cricket in his capacity as the President of the International Cricket Council, many had seen this coming. However, one does not know if the new Minister, K.V. Thomas, will be able to tackle the pressing problem of food inflation.

Another loser in the reshuffle was Kamal Nath who was shunted to Urban Infrastructure, after having been downgraded last year from Commerce and Industry to Road Transport and Highways. Yet another minister who lost out was Sports Minister M.S. Gill, who was in the hot seat for the controversy-marred run-up to the Commonwealth Games. He has now been put in charge of statistics and programme implementation.

Those who gained from the reshuffle were Salman Khursheed who was promoted to cabinet rank with the charge of Water Resources and Minority Affairs, and Sriprakash Jaiswal, who retained the Coal Ministry but was also elevated to Cabinet rank. Both of them are from the crucial state of Uttar Pradesh, which goes to polls next year, and might reflect an attempt by the Congress to regain lost ground there. Yet another Congress leader from Uttar Pradesh, Beni Prasad Verma, has been appointed Minister of State with independent charge of Steel.

Among those who were stuck with a heavy workload was Kapil Sibal who continues to hold charge of Human Resource Development as well as Communications and Information Technology, the latter being the toughest job at the moment in the wake of the 2G telecom scandal. Obviously, the feeling is that he is the best man to handle the mess that the Government finds itself in. Handing back the Ministry to Congress' coalition partner, the DMK (Dravida Munnetra Kazhagam), the party to which A. Raja belonged – under whose watch the 2G scandal happened – is at the moment not being entertained. The other important ministry that did not see any change was the Environment and Forests Ministry, which under Jairam Ramesh has often been in the news for questioning on environmental grounds huge foreign investment projects such as the South Korean steelmaker Posco's in Orissa (which has now been approved with several riders). There were whispers that Ramesh was being too much of an activist and was rubbing corporates and investors the wrong way. But it seems that the Congress' high command does not have too many problems with that.

The change that came up for some criticism was the shift of former Maharashtra Chief Minister Vilasrao Deshmukh from heavy industries to rural development, the flagship

ministry for the National Rural Employment Guarantee Act (NREGA) programme.<sup>2</sup> When Deshmukh was Chief Minister of Maharashtra, farmer suicides had risen sharply in Maharashtra. He also came in for sharp criticism from the Indian Supreme Court for protecting moneylenders in the Vidarbha region of the state. Not surprisingly, the opposition was unimpressed with Shahnawaz Hussain, spokesperson for the Bharatiya Janata Party (BJP), saying, ‘There is no political message in this reshuffle. The Government did not show any courage to remove those who are involved in corrupt practices.’<sup>3</sup>

Why then did the Prime Minister and Congress President Sonia Gandhi go in for this insipid exercise? The only plausible reason one can think of is to show that something was being done to tackle the multiple crises afflicting the nation. But if that was the purpose, it was not served by the reshuffle. It only served to underscore the inability of Manmohan Singh, someone who is seen as personally honest and is much admired by world leaders, to take tough decisions. Part of the problem, of course, is that due to lack of a support base within his party, Singh is dependent on Sonia Gandhi to push through reforms. He has occasionally shown flickers of independence as when he stood his ground on the Indo-US nuclear deal. But on economic reform and the taming of corruption, Singh has been largely ineffective. That has been one of the most disappointing aspects of the current tenure of the UPA Government where it had the numbers to take up big-ticket reform. This was noted by commentator Pratap Bhanu Mehta just before the reshuffle took place, ‘There are so many uncertainties over the next four or five years that if you don’t fix things while the going is good, it is going to be that much harder, later. Given the historic opportunity that India has, they are frittering away precious time.’<sup>4</sup> This is especially true at a time when the Indian economy is growing at around nine per cent per year.

The reshuffle confirmed these fears. Singh has promised a bigger ‘reshuffle’ after the budget session of the Parliament, which is likely to end in mid-April 2011. Although, that begs the question as to why this ‘mini’ reshuffle was taken up in the first place. By just making cosmetic changes, the Prime Minister seems to have done little to stem the sense of drift within the Government.

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<sup>2</sup> Saba Naqvi, ‘All Lather, No Soap’, *Outlook* (31 January 2011).

<sup>3</sup> Jim Yardley, ‘India’s Prime Minister Shuffles His Cabinet’, *New York Times* (19 January 2011).

<sup>4</sup> Jim Yardley, ‘Lauded Abroad, Manmohan Singh is Besieged at Home’, *New York Times* (18 January 2011).