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An Alternative to Gandhi

Shortly after being elected into office last year, the new Indian Prime Minister, Narendra Modi, visited a memorial for Veer Savarkar, an Indian independence fighter, praising his lifetime of “tireless efforts toward the regeneration of our motherland.” On its surface the move seems to be nothing out of the ordinary; however, the historical context of Savarkar as the father of the Hindu nationalist radicalism movement makes it somewhat controversial and a worry for the country’s religious minorities. Savarkar was a contemporary of Mahatma Gandhi, although the two men took radically different views on fighting for Indian independence. As is well known, Gandhi supported the peaceful non-compliance movement, and his ideology welcomed all the religions of India. History is written by the victors thus Savarkar and his take on the struggle for independence have not received widespread attention. Savarkar argued for a more aggressive fight against the British and had strong views that India should be 100% Hindu. The Hindu radicalism movement is more significant than is generally recognized and is currently enjoying a revival.

Prime Minister Modi has been in power for a year now. Although he represents the Bharatiya Janata Party (BJP), which is considered to be the Hindu nationalist party, he was elected on the promise of economic reform, including infrastructure spending and labor laws. It is too early to judge his economic effectiveness on a national scale, but he has a successful track record as the

former head of the Gujarat region. He is well-liked by voters, but he makes minorities very nervous as evidenced by the large-scale, religion-based riots that took place under his leadership in the Gujarat region. He was cleared of any wrongdoing in connection with the riots, and even received the support of some minority leaders during his campaign for his economic liberalization aptitude. It does not help that some members of his party incite minority discrimination. So far, Modi has been conspicuously silent in response to the inflammatory rhetoric from his party, which leaves observers wondering if he, in fact, agrees with it or is too weak of a leader to confront it.

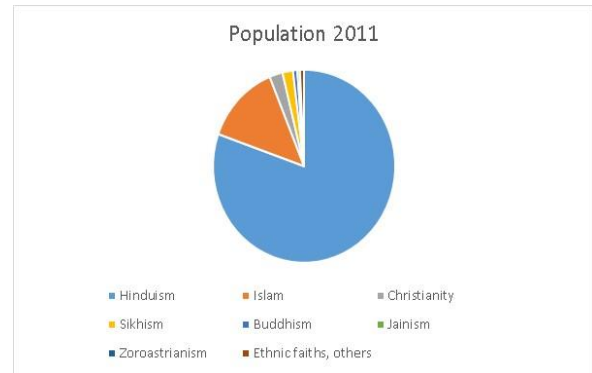
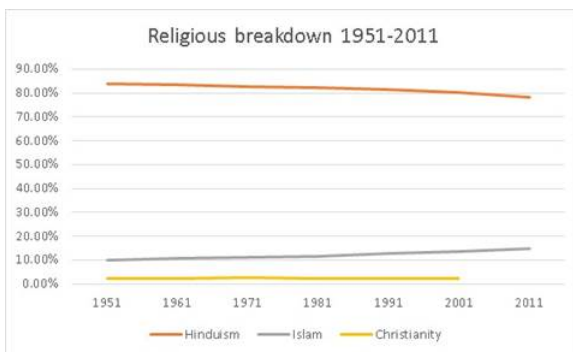
There is no denying that Indian politics have been chiefly molded based on Gandhi’s peaceful non-compliance movement, which emphasizes equal acceptance of all religions within India. It was a goal of the founders of the modern state of India to form a multi-religious constitution. However, we could see a return to more Hindu-centric policies under the current trends. This week, we will look at the resurgence of the Hindu nationalist movement. We will start by briefly describing the political history of independent India, looking at Gandhi and Savarkar’s conflicting ideals. Next, we will look at contemporary politics and explore the Hindu movement and its likely forms under Modi’s rule. As always, we will conclude with market ramifications, both within India and for international markets, in general.

The British Rule

The British Empire ruled India for 150 years before it gained its independence in 1947. The British used a “divide and conquer” method to play different power centers against each other. The British gave power to different religious groups and castes such that they would always need outside help to stay in control. After independence, the region was partitioned into India and Pakistan. Ever since, the two countries have been in near-constant conflict over religion as India is majority Hindu, while Pakistan is majority Muslim. The two countries have also fought over Kashmir, a region that both claim as their own.

Demographics

India is majority Hindu, slightly less than 80% according to the most recent census. Although this number is high, it has fallen as the chart below shows. Islam represents the second largest group at almost 15%, and its proportion has grown rapidly. Christianity is a third religious group at less than 3%. Sikhism, a monotheistic religion mostly practiced in the northern regions, follows closely behind Christianity. We note that Sikhism has not received criticism from Hindu nationalists and the group is well integrated and respected within society as it is also indigenous to the country. Two prior PMs have been Sikhs. All other groups represent less than 1.0% of the population.



The radical Hindu nationalist movement’s main goal is to return India to a land of Hindus, reducing the proportion of supporters of other religions. The argument goes that, historically, the only religion native to the Hindu Valley was Hindu. Other religions were all introduced through outside influences, and natives were converted either by sword or enticements. For example, Mughal invasions introduced Islam and the Hindu population was converted by threat. On the other hand, Christian conversions occurred by inducements, with missionaries offering schooling and other benefits to converts. As a side note, Mother Theresa, who worked with the Indian poor, would be included in this group of Christians attempting conversion of Hindus with incentives. A widely held belief by Hindu radicals is that Muslims and Christians are foreigners whose goal is to make Hindus a minority in their own country. Some radical groups have suggested that Hindu women should have at least a handful of kids in order to keep up with the Muslim birthrate. Another idea that has received attention is that of “Love Jihad,” in which Muslim men marry young Hindu women by feigning love in order to convert them to Islam. At the same time, reports have surfaced over recent years of Hindu radical groups staging “homecoming” parties in poorer rural areas, whereby they convert Muslims and Christians back to Hinduism. All these

reports are part of politics of fear to gain wider support for the group's cause. In an age-old political stunt, the radicals on both sides can point to examples of extreme behavior on the other side to re-energize the party's majority. For example, the Hindu radicals can point to "Love Jihad" to gain support for their fight against minorities in general.

Aggression between religious groups has become more frequent and more severe over the past decade, and usually occurs between the Hindu majority and Muslim minority. As mentioned before, Modi's political career has been shadowed by accusations of allowing Muslim-Hindu violence to persist. In February 2002, a train carrying Hindu pilgrims was set on fire in Modi's state of Gujarat. This incident was seen as an attack on Hindus and sparked anti-Muslim riots across the region. Some analysts have indicated that a high level of state involvement was suspected in the incident. Modi was cleared of initiating the violence, while other members of the administration were accused of giving the rioters lists of Muslim-owned properties. One member of the BJP associated with Modi was sentenced to 28 years in prison.

This violence clashes with the view of a harmonious, multi-religion India envisioned by Gandhi.

"An eye for an eye leaves the whole world blind."

Gandhi, widely considered the "father of India's independence," championed inclusive and tolerant policies for all religions. He was born into a privileged-caste Hindu family, with thoughts of becoming a lawyer. He studied in India and London, eventually working in South Africa for two decades. Upon his return to India in 1916, Gandhi developed the practice of

peaceful, civil non-compliance. Gaining political popularity, he campaigned for Indians to use non-compliance to force the British Empire to grant India its independence. For example, when Britain imposed a tax on salt, he led a 250-mile march to the sea to collect his own salt. A series of protests led to Gandhi's multiple arrests and prison terms. WWII forced Britain to focus more on Europe, spending fewer resources on governing India. The rising dissatisfaction of the Indian population required more resources to maintain the country. Domestic support of independence also gained ground leading up to WWII as Gandhi argued that Indians should not have to go to war for British sovereignty while their own country was subjugated. This led to widespread riots, and another imprisonment for Gandhi. Once again, he emerged and eventually led the country to independence in 1947.

Britain proposed to partition the British-led India into a Hindu India and a Muslim Pakistan. Gandhi opposed the proposal, arguing for a unified, multi-religion India. However, out of political necessity, his party accepted the terms of the partition. Although many Indians opposed granting Pakistan a restitution package for lost territories, Gandhi vehemently insisted on paying restitutions. In fact, he staged a hunger strike in support of the package. He succeeded in finalizing a restitution to Pakistan, but this led many Hindu radicals to view it as traitorous behavior to Indians. The Hindu nationalists feared (with good reason) that Pakistan would use the restitution money to arm itself to fight India.

Gandhi was assassinated by a group of radicals who supported the Hindu nationalist movement in 1948, a year after India's independence was finalized. The Hindu nationalist movement had long opposed

Gandhi on the basis of his inclusive religion approach. In fact, the group had made several assassination attempts on Gandhi's life. Savarkar's Hindu nationalist movement was associated with the militant group that was found guilty of the assassination, with some analysts speculating that Savarkar was the one who provided the militants with weapons for the assassination. However, Savarkar was acquitted of the charges.

Following Gandhi's assassination, the Hindu nationalist movement lost popular support, especially in the urban regions. Gandhi's legacy left a huge footprint on the Indian political landscape and the Gandhi-Nehru political dynasty has been in power via its Indian National Congress Party (the Congress Party) for 49 years out of the 68 years of Indian independence. However, Savarkar's Hindu nationalist movement has maintained popularity in the rural areas. For example, one wing of the movement remains very involved with youth education and physical training programs. These training programs are sometimes accused of incubating militant radicals and provoking animosity toward other religions. From the age of eight, Modi took part in the Hindu nationalist education and physical training opportunities.

Like Gandhi, Savarkar was also born into a privileged caste and received his education in India and London. According to reports, the two men met as law students in London and developed a mutual animosity. Apparently, Savarkar thought that Gandhi's soft power would never hold up to the might of the British in India. One of the more entertaining articles on the subject comes from *The Economist* titled, "The man who thought Gandhi a sissy."¹ In contrast to Gandhi, Savarkar thought that the Indian

identity was inseparable from the Hindu identity. He also supported fighting the British via military methods of sabotage, which he apparently learned from Russian revolutionaries. He was imprisoned and sentenced to life for his role in the assassination of a British magistrate. While in prison, he founded the Hindu culture-centric ideology, which was one of the founding principles of the Hindu nationalist movement. In his work, he proposed that Hindus should militantly defend their claims of religious and cultural supremacy over Indian Muslims.

The Hindu Nationalist Movement

Modi and the BJP, in general, follow the ideology of "integral humanism." This ideology was first described by an Indian writer in 1965. It is an ideology that rejects both communism and capitalism, trying to find a market philosophy that would fit Indian society. The writer argued that Western philosophy was not appropriate for India. Accordingly, Indian society is more concerned about the wellbeing of the whole person, and less concerned with materialism and how wealth is distributed. This ideology is deeply rooted in Hinduism. Over time, the party has campaigned on the platform of improving living standards and economic prosperity through the Hindu paradigm.

The BJP, which translates to Indian People's Party, was formed in 1951 partially as a counter-reaction to the ruling Congress Party's secular politics. The Congress Party's policies were perceived to be too appeasing to the minorities, especially Muslims and Pakistanis. The BJP wanted to preserve Hindu culture, not necessarily in its religious form but more in its cultural form. A BJP official has contrasted Indian secularism to European secularism. He said that Indian "positive secularism" attempts to

¹ (2014, December 20). The man who thought Gandhi a sissy. *The Economist*.

treat all religions as equal, while European secularism is independent of religion. It remains to be seen how “equal” will be defined, but we doubt it will be viewed as fair by everybody.

The Indian constitution introduced in 1949 guarantees “freedom of conscience” and the right to “free profession, practice and propagation” of religion. However, the ruling BJP’s historic view of India belonging to only Hindus is at odds with the constitutional idea of equal religious rights.

Modi’s Agenda

Before becoming prime minister, Modi promised prosperity to all, regardless of religious background. Even in office his first priority has been economic prosperity, while he has remained silent in response to the radical Hindu rhetoric used by his party. It is clear that Modi has attempted to highlight his economic reform efforts, while somewhat distancing himself from the party. He relies on his personal political influence and charisma when relating to the electorate, and prefers to communicate with the voters directly via Twitter, rather than use his party as the intermediary. In general, he prefers to work with a small number of close allies, many of whom have worked with him for decades, rather than decentralize power via a strong team approach.

This could be a clever political tactic, since he has to weave a delicate balance to maintain the support of his Hindu nationalist party, but also not agitate the minorities to maintain his wider political appeal. Maintaining a tight grip on power could help him preserve support from both sides. On the flip side, why does his BJP party tolerate a PM that does not vocally support its agenda? Even the party has to admit that Modi’s persona won the elections, so given its lack of strong alternative candidates, they

may have to allow for Modi to seem accommodating. It is clear from Modi’s prior interviews that he and his party agree on the economically liberal but socially conservative Hindu-centric ideology. Although we don’t know for sure how socially radical Modi is willing to be, it seems that he and his party may not agree on the prioritization and implementation of the Hindu-centric policies.

We believe that the societal outcome of this development depends on the success of implementing Modi’s economic objectives. Modi is first and foremost interested in economic reform and growth. If he is able to improve living standards, the societal discord is likely to remain under control. However, if Modi’s economic reforms fail, he is likely to lose political influence and he may have to fall back on supporting religious exclusion in order to stay in power. The Indian voters, especially the young, treat their politicians as service providers. If the service does not meet expectations, they swiftly switch their favorites. Modi’s inactivity on reining in the Hindu radicalism and the slow pace of economic reform has already swayed some voters toward smaller regional parties.

Ramifications

Given the possible binary outcome of domestic politics, the market ramifications are also distinct. Economic reform, especially slashing corruption and easing bureaucracy, legal system improvements, including simplifying labor laws, and infrastructure spending could boost India’s economic growth and encourage foreign investment. Improving growth would not only have domestic benefits, but would also balance the weakening growth from China in the international markets. Foreign investors would like to see a more transparent tax code (India has a habit of

imposing unfair tax practices) and eliminating foreign investment restrictions (currently, foreign investors are only allowed to invest in a limited number of industries).

If Modi's economic reforms are either not implemented or fail to result in economic growth, we could see further societal splintering, including an increasing number of religion-based clashes. This would further deteriorate confidence in the Indian

markets. The fighting may also provoke militarization of the India-Pakistan conflict.

An early indication for the direction of these developments would be whether Modi receives approval for his economic agenda through the parliament, and if economic growth escalates as a result.

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