CRITICAL ANALYSIS OF VOCAL FOR LOCAL A WRONG TURN BY PM MODI

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ABSTRACT

The new hashtag floating around in our imagination of a modern and national life of commerce and business in India is #VocalForLocal.India therefore has an all-new hashtag in the era of Covid. Go local. Trust local. Go for a self-sufficient and self-reliant India. Make-in-India. Believe in Made-in-India and put your buying power into products and services that are made locally.

Prime Minister Narendra Modi wants all 1.3 billion Indians to be "vocal for local" — meaning, to not just use domestically made products but also to promote them.

As the first signs of a revivalism of the "Made In India" movement in a new avatar just about happens, it is time to understand its many dimensions that will make it either run, hobble for a while or stop altogether. To an extent, there is an argument national, and an argument economic attached to this movement floated into public debate and mindset by our PM Narendra Modi.

Movements and campaigns: Movements such as the "Vocal For Local" campaign can be best championed by leaders who enjoy national repute and might. PM Modi is certainly the biggest of them all in the country and commands such a following and might. The campaign, coming from him, is bound to make for traction and action.

Keywords: *COVID, Local for Vocal, Made in India*

INTRODUCTION

This very articulation of intent had many a multinational brand and their many avatars scurrying into strategy huddles to think up a counter plan. In the case of the better prepared, these plans were already ready as a Scenario Plan in mind, a business-continuity plan on paper, or in place as early and tentative market action even.

The value-conscious Indian consumer couldn't give two hoots for calls to buy Indian,

OBJECTIVES

- To Study that PM Modi gives voice to a 'buy local' campaign to counter pandemic crisis and border tensions with China.
- To study the geopolitical elements set by government.
- To Study the Effect of Economic nationalism will hit foreign investment and bring unemployment.

RESEARCH AND METHODOLOGY

- Research and experimental development is work under-taken systematically to increase the stock of knowledge.
- The data for analysis has been collected from journals, articles, online database of Indian Economy, various website, Economic times etc.

DETAIL APPROACH & STANDARD ANALYLSIS

Granted that the liberal view that trade is good and autarky bad isn't exactly fashionable anywhere right now. What makes India's lurch troublesome is that the pace and direction of economic nationalism may be set by domestic business interests. The Indian liberals, many of whom are Western-trained academics, authors and — at least until a few years ago — policy makers, want a more competitive economy. They will be powerless to prevent the slide.

Brands in the great Indian marketplace have viewed the rise of movements national and nationalistic for years as a possibility of game-changing market action. The rise of Patanjali Ayurved, the rise of discussions that said that hand-picked, hand-made, local, old, green, organic and natural products are better than the factory-made, the chemical and the formula-run have been around for a while. But more worrying than the disruption is the fruity political response to it. Rather than being a wake-up call for fixing supply chains, the pandemic seems to be putting India on an isolationist course.

Modi's call for a self-reliant India has been echoed by Home Minister Amit Shah, the cabinet's unofficial No. 2, in a television interview. If Indians don't buy foreign-made goods, the economy will see a jump, he said. The strategy — although it's too nebulous yet to call it that — has a geopolitical element. A military standoff with China is under way, apparently triggered by India's completion of a road and bridge near the common border in the tense Himalayan region of Ladakh. It's very expensive to fight even a limited war there. With India's economy flattened by Covid,

CHALLENGES

Economic boycotts, such as Chinese consumers' rejection of Japanese goods over territorial disputes in the East China Sea, are well understood as statecraft. In these times, it's not even necessary to name an enemy. An undercurrent of popular anger against China, the source of both the virus and India's biggest bilateral trade deficit, is supposed to do the job. But is it ever that easy?

A hastily introduced policy to stock only local goods in police and paramilitary canteens became a farcical exercise after the list of banned items ended up including products by the local units of Colgate-Palmolive Co., Nestle SA, and Unilever NV, which have had significant Indian operations for between 60 and 90 years, as well as Dabur India Ltd., a New Delhi-based maker of Ayurveda brands. The since-withdrawn list demonstrates the practical difficulty of bureaucrats trying to find things in a globalized world that are 100% indigenous.

CONTROL OVER COMPETITION

Brands in the great Indian marketplace have viewed the rise of movements national and nationalistic for years as a possibility of game-changing market action. The rise of Patanjali Ayurved, the rise of discussions that said that hand-picked, hand-made, local, old, green, organic and natural products are better than the factory-made, the chemical and the formula-run have been around for a while. But more worrying than the disruption is the fruity political response to it. Rather than being a wake-up call for fixing supply chains, the pandemic seems to be putting India on an isolationist course.

PFree-trade champions fret that the prime minister, whom they saw as being on their side six years ago, is acting against their advice to dismantle statist controls on land, labor and capital to help make the country more competitive. Engage with the world more, not less, they caution. But Modi also has to satisfy the Rashtriya Swayamsevak Sangh, the umbrella Hindu organisation that gets him votes. Its backbone of small traders, builders and businessmen — the RSS admits only men — was losing patience with the anemic economy even before the pandemic. Now, they're in deep trouble, because India's broken financial system won't deliver even state-guaranteed loans to them.

INTERNATIONAL ECONOMY:

The U.S.-China tensions — over trade, intellectual property, Covid responsibility and Hong Kong's autonomy — offer a perfect backdrop. A dire domestic economy and trouble at the border provide the foreground. Big business will dial economic nationalism up and down to hit a trifecta of goals: Block competition from the People's Republic; make Western rivals fall in line and do joint ventures; and tap deep overseas capital markets. The first goal is being achieved with newly placed restrictions on investment from any country that shares a land border with Indian

OPPORTUNITY FOR INDIANS IN FORIEGN COMPANY

The second aim is to be realized by corporate lobbying to influence India's whimsical economic policies. As for the third objective, with the regulatory environment becoming tougher for U.S.-listed Chinese companies like Alibaba Group Holding Ltd., an opportunity may open up for Indian firms.

FORIEGN DIRECT INVESTMENT

All this may bring India Shenzhen-style enclaves of manufacturing and trade, but it will concentrate economic power in fewer hands, something that worries liberals. They're moved by the suffering of India's low-wage workers, who have borne the brunt of the Covid shutdown. But when their vision of a more just society and fairer income distribution prompts them to make common cause with the ideological Left, they're quickly repelled by the Marxist voodoo that all cash, property, bonds and real estate held by citizens or within the nation "must be treated as national resources available during this crisis." Who will invest in a country that does that instead of just printing money?

LIBERAL BUSINESS

At the same time, when liberals look to the business class, they see a sudden swelling of support for ideas like a universal basic income. They wonder if this isn't a ploy by industry to outsource part of the cost of labor to the taxpayer. Slogans like Modi's vocal-for-local stir the pot and thicken the confusion. The value-conscious Indian consumer couldn't give two hoots for calls to buy Indian, but large firms will know how to exploit economic nationalism.

MULTINATIONAL CORPORATION AND EMPLOYMENT FOR INDIANS

In recent times, MNCs, MNC-looking and MNC-sounding brands scurried to put together avatars that looked local in formulation. The game did not stop there. In came market action not only to be local, but look local as well. And why not? These brands have been in the country for long decades, and no one thinks they are foreign brands at all. A Nescafe is as local to Peddapalli as it is to Geneva. A Maggi noodles is more ubiquitous and local by its presence in India than it is in Switzerland.

Market action by the MNCs has therefore to date been well thought out, tried and tested. The clarion call of PM Narendra Modi to get "Vocal for Local" is a nudge moment. There are indeed many types of brands in the great Indian marketplace that are poised to take advantage of this call of passion of PM Modi. Each has their agenda clearly set.

The three types: The first type is the very brand that started the movement of branding in this country itself. This is the MNC brand, imported from foreign shores and sold in the Indian market. Literally every other branded detergent, noodles, cola, coffee and more started this way. When volumes gained in the country of import, local factories were set up. When local sourcing meant monetary advantage, that went local as well. The factories are local, the workers are local, and the consumers are local. Possibly a portion of the profits are repatriated to the overseas owner. And that is the tenuous but clear link of ownership that is foreign. But so be it.

The second type of brand is the Indian MNC. The large corporation that makes in India for India and the world, but the one that does not have the commitment to repatriate a portion of its profits to an overseas destination.The third kind of company is the completely small and 'desi' company. The company that makes local products for locals. And maybe the larger 'desi' company that makes for locals within the boundaries of India and for the Indian diaspora. Haldiram's is a classic example out here.

As the days and months go by, we will see action from every one of these three kinds of companies. While the MNC will start looking, sounding and emoting more 'desi', the 'desi' companies big and small will start exploiting the opportunity to whip up consumer sentiment in their favour.

CONCLUSION

All said and done, PM Modi has stirred the pot of thought in his usual manner. As the movement "Vocal for Local" gets floated, one wonders whether it is a movement or a call. There sure is a difference. A movement is one that is owned by the people, trusted by the people and spurred on by the people. A call is one that is promoted by governments, by bodies public, and by market entities with a vested interest in the call.

RECOMMENDATION

- Unless the first bounce by PM Modi is kept going by government bodies, individuals, and competitors in the space of Make-in-India, even this shall subside and still.
- Wait and watch till the end, it is the end consumer who takes the biggest call. Unless he, she and they bounce it, even this shall die.

- We should transform ourselves into a greener and more humane society, with access to affordable health care, functioning public schools, choices over where we work and live, and support for those who cannot work

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