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India's Premier Pleads for Support of His Plans in Televised Address

By JIM YARDLEY

NEW DELHI — Prime Minister [Manmohan Singh](#) made a rare nationwide televised appeal on Friday night to defend a series of unpopular measures, intended to revive the floundering Indian economy, that have stirred mass protests across the country and almost toppled his coalition government.

Mr. Singh's speech came on a day of intense political jockeying, as the governing coalition lost the support of a crucial regional ally yet managed to stay in power, for the moment, by securing support from two other nonaligned regional parties.

"The time has come for hard decisions," Mr. Singh said, in an apparently prerecorded address that was broadcast across the country in prime time. "For this I need your trust, your understanding and your cooperation."

The political storm erupted last week after Mr. Singh's government announced a series of [economic moves](#), including an increase in the price of diesel fuel, a cap on the subsidy for cooking gas and measures that would allow for greater foreign investment in civil aviation and retail, opening the door for big, multibrand retailers like Walmart.

Business leaders and many economists praised the moves as critical for containing [India's](#) fiscal deficit and attracting foreign investment, but rival political leaders pounced, as did some political allies of the government, saying the measures threatened the livelihoods of small shop owners and common people. Thousands demonstrated on Thursday in several Indian cities in coordinated protests organized by several parties.

On Friday, Mr. Singh urged people to "not be misled," framed the moves as essential, if tough, and said they would begin to restore economic growth and help prevent India from falling into the same economic malaise that Europe is in. Economic growth, which topped 8 percent in 2011, is now projected to be as low as 5.4 percent in the current fiscal year. "We are at a point where we can reverse the slowdown in our growth," he said. "We need a revival in investor confidence domestically and globally."

Hours earlier, **Mamata Banerjee**, the populist chief minister of the state of West Bengal and once the most crucial regional ally in the governing coalition, formally withdrew her party's support. On Friday afternoon, with television crews beaming live reports across the nation, Ms. Banerjee's cabinet ministers submitted their resignations to protest the new economic measures.

The departure of Ms. Banerjee's 19-member parliamentary delegation means that the governing coalition, led by the Indian National Congress Party, has lost its parliamentary majority. However, the coalition will survive, for now, courtesy of support by a two nonaligned regional parties, which extended lukewarm endorsements on Friday.

"Our support is clear," said Mulayam Singh Yadav, a regional leader who told the Indian news media that he would support the government, though not join it.

Friday's machinations dispelled, for the moment, the possibility of the government collapsing or of elections, now scheduled for 2014, being called early. But the Congress Party now faces a complicated governing situation, in which it will need to massage and maneuver around regional leaders like Mr. Yadav, as well as his rival, Mayawati, another powerful figure who is supporting the government and uses only one name.

"We have another 18 months to go for the next elections," said Digvijaya Singh, a general secretary in the Congress Party. "We've got sufficient numbers to carry us through."

The prime minister's appeal to the nation amounted to an effort to reboot his much-maligned government. For roughly two years, the Congress Party has been mired in corruption scandals and widely criticized for arrogance and ineffectiveness, while also overseeing a rapidly declining economy.

Mr. Singh, considered the father of India's first era of economic overhaul in the 1990s, has been accused of failing to lead or to articulate a clear vision for the government. On Friday, Mr. Singh argued that rising global oil prices meant that the government had to reduce popular subsidies on diesel and cooking gas or risk a rapidly higher fiscal deficit.

"Where would the money for this have come from?" Mr. Singh asked. "Money does not grow on trees."

Mr. Singh did not mention the weeklong political controversies or the loss of support from Ms. Banerjee. Some analysts predicted that her departure could free the government to push ahead with other economic measures. Palaniappan Chidambaram, the country's recently appointed finance minister, has signaled that recently announced economic moves will come as soon as next week.

To some degree, Ms. Banerjee had held veto power over such initiatives because of her periodic threats to withdraw her party's support and bring down the government. Last year, she blocked a water treaty with Bangladesh — embarrassing the prime minister and Indian diplomats — and also forced Mr. Singh to reverse himself after his cabinet first approved the plan to open the door to retailers like Walmart.

“The government faces a stark choice — stand firmly behind the measures to promote India's long-term economic interests or back off the reforms in the interests of short-term political survival,” said Eswar Prasad, an economist and an adviser to the Indian government. “The outcome of this battle, and even the way it is fought and ultimately resolved, will reverberate in India's economic and political arenas for many years to come.”

When it became clear on Friday that the government was not bending this time, India's stock market recorded the biggest gain of the year.

Hari Kumar contributed reporting.