

# Congress-Led Alliance Pulls Surprise in India

by Ramtanu Maitra

The four-phase (April 20-May 10) general elections to constitute the 14th Lok Sabha (Lower House of the Indian Parliament) turned out to be a stunner. When the votes were tallied on May 13, it was discovered, to the utter surprise of politicians and pundits, that the ruling National Democratic Alliance (NDA), led by the Bharatiya Janata Party (BJP), had been routed. The biggest beneficiary turned out to be the United Progressive Alliance (UPA), a group of regional parties who had formed an alliance with the Indian National Congress (INC) party.

The UPA, with 216 seats between themselves, and with promised support from 59 elected parliamentarians belonging to the Left, had the required majority to form the government. The Lok Sabha consists of 543 members, and the majority requires 273 seats to stake claim to government. In contrast to the UPA's tally, the NDA had secured only 189 seats. In the hustling, the INC emerged as the single largest party with 145 seats—an improvement of 31 seats over its 1999 performance; while the BJP, losing 42 seats, is now the second largest party with 138.

## Alliance Hiccups

After 48 hours of uncertainty and confusion, the INC president and elected Congress Parliamentary Party (CPP) leader, Mrs. Sonia Gandhi, declined the all-important post of prime minister on May 18. Subsequently, her candidate and the INC's number two, Dr. Manmohan Singh, was elected CPP leader and prime minister to lead the UPA government. At the time of writing, the UPA is in the process of forming a Cabinet. Assuming the post of prime minister, Dr. Singh, an economist who served as India's Finance Minister (1991-96) under Prime Minister P.V. Narasimha Rao and had been Governor of Reserve Bank of India (India's Central Bank) earlier, listed the agenda of the new government. Among the items highlighted were: to restore regional and ethnic harmony in the country; to pursue "economic reforms with a human face"; to remove poverty, enhance employment, raise agricultural production, and ensure health for all; and to keep the strategic public sector units, such as the Oil and Natural Gas Commission (ONGC) and Gas Authority of India Ltd. (GAIL), under government ownership.

Dr. Singh's mention of "economic reforms with a human face" is important for political reasons. The human face is

nothing but a set of safeguards designed to protect the poor from the harsh effects of reforms—like hiking user charges for power and water, lopping off subsidies because they help the rich, cutting interest rates, and so on. All these are aimed at removing the price distortions in the economy that hurt the poor. Inserting anti-privatization of the public sector units in the agenda, was one of the principal demands of the Left group which has promised to support the government in the Lok Sabha without participating in running the government. Needless to say, without the Left group's support, UPA will remain a minority government constantly teetering at the edge.

The prime minister-designate has also assured the people that his government would not abandon the NDA-initiated Golden Quadrilateral Highway project, which, when completed, will connect India north to south and east to west by four-lane highways. More than 50% of the project is finished. Singh said he would further strengthen the road network program. He also made clear that government would soon furnish details of the economic agenda spelt out in its Common Minimum Program (CMP) in consultation with allies. CMP was the economic program promised to the population by the UPA at the polls.

The poll results surprised everybody—the losers as well as the winners. While a medley of polls had suggested the NDA would come back to power with a slim majority, or fall short narrowly, no one had predicted such a complete reversal of fortune for either of the alliance groups.

The most surprising element is that the results, when disaggregated, defied all standard analysis. While it became clear that the NDA's campaign to return to power on the basis of its "success" with the Indian economy during its rule, did not go well with most of the Indian voters, the NDA was also rejected by those who benefited from the high rate of economic growth. In India, where nearly 200 million people still do not have access to safe drinking water and more than 500 million lack adequate sanitation facilities, the economy will always remain the key issue for the electorate. The NDA, citing a high rate of GDP growth, had claimed during the poll campaign that the economic reforms it had adopted were a great success. It cited a great deal of success in India's information and technology sector, privatization of a number of loss-accumulating public sector units, and rapid development of India's highway systems.

Evidently, not many chanted that mantra on their way to the polling booth. On the other hand, the direction and scope of economic reforms set in place by the late Prime Minister Rajiv Gandhi in the 1980s and flourishing under Prime Minister P.V. Narasimha Rao in the 1990s, must be both good economics and good politics. This agenda should begin with reform of economy in such a manner as to benefit the rural population the most. But the reforms, as in most Third World countries, paid less than necessary attention to the vast agricultural sector where the poor live with little formal educa-

tion, very few health facilities, and unsafe drinking water. Indian political leaders, based in New Delhi or in the state capitals, have identified economic reforms as simply measures which would unshackle business and entrepreneurial opportunities for the educated and skilled.

### Faulty Economic Reforms

A new agenda for economic reforms in India must also correct the long-standing neglect of agriculture. At the same time, the huge workforce employed in the low-productivity agricultural sector contributes to a massive waste of high quality manpower. The key to India's economy will be how the reformers, without affecting its agricultural production, will get this vast pool of manpower effectively involved in a productive wealth-generation process. It is evident that the last words on economic reforms have not been written yet, and the incoming government must take note of that reality.

But in dissecting the poll results, one comes across a sea of *lacunae*. An Indian analyst pointed out the NDA was trounced at the polls, not because its policies were favored only in the urban metropolitan areas while neglected by the impoverished sections of rural India—in reality, all the big urban centers including Delhi, Mumbai, Chennai, Hyderabad, and Kolkata, handed the NDA humiliating routs. In sharp contrast, the ruling alliance won an overwhelming majority of the seats in the most poor and backward areas of states of Rajasthan, Madhya Pradesh, Chhattisgarh, Orissa and the Vidarbha region in the state of Maharashtra.

The categorical rejection of the Telegu Desam Party (TDP), an ally of the NDA in Andhra Pradesh, is a clear-cut verdict against the form of economic reforms carried out by the state Chief Minister, N. Chandrababu Naidu, the son of a poor farmer. Former power and economic affairs secretary with the Government of India, E.A.S. Sarma, told journalists: “The vote against Naidu represents the dissatisfaction of the man on the street with TDP's policies, generally perceived to be pro-rich, pro-industry, pro-urban, and anti-poor. Most of his schemes helped the rich and the contractors with whom the TDP had a nexus.” The widespread feeling was that the generous grants and food grains from the Center didn't really reach the poor. Naidu lost touch with the grassroots, especially the farmers, and concentrated on setting up fountains in Hyderabad to beautify the city when parts of the state were reeling under a dry spell. He hiked power tariffs five times, causing widespread discontent; so even while the farmers were required to pay only 10% of the tariff that a regular consumer pays, the Opposition found the power-and-farmer issue a suitable stick to beat him up with.

While it is clear that Naidu deserved the treatment he received, some analysts perpetuated a myth that the Indian voters were primarily concerned about good administration, accountable for grassroots issues like the state of roads, availability of electricity and water, primary health facilities, and law and order.

### Endorsement of Failure

The reality, however, does not point in that direction. The state of Bihar is particularly notorious for its terrible administration and its lack of law and order. Bihar is also one of the most populous states in the Union, endowed with vast reserves of coal and minerals—and one of the poorest states in the country. In the bordering state of West Bengal, which has become de-industrialized over the years, poverty is rampant. Yet, both in Bihar and West Bengal, where the Communists were in power for the last 27 years, the electorate returned their rulers with a bang. On the other hand, in the state of Karnataka, S.M. Krishna certainly improved grassroots infrastructure both in towns and villages, but ended up eating humble pie.

The 2004 parliamentary polls will be remembered for very low voter turn-out. Only 370 million of 670 million registered voters chose to vote. Emotions against, or for, the ruling coalition were running very low and this campaign was the least heated one since 1967, observers pointed out. At the same time, the INC leadership would make a serious mistake if they try to brainwash themselves to believe that the 2004 verdict was a mandate for the Congress and represents a dramatic revival of the party.

In reality, apart from the fact that the Congress failed to win even a third of the Lok Sabha seats that went to polls, its actual voting percentage has come down compared to its vote share in the 1999 elections. Even if one explains this in terms of the party contesting less seats this time because of more electoral allies, one Indian analyst pointed out that in India's largest state, Uttar Pradesh, where the Congress contested on its own, it lost more than 3% as compared to the last parliamentary polls. Moreover, in Kerala, for the first time in its history, Congress failed to win a single seat.

The comparative statistics of the 1999 and 2004 Lok Sabha elections make interesting reading. While a number of regional parties, and the national parties BJP and INC, show a loss in vote share, those who gained vote share are other regional parties and the Communist Party of India-Marxist (CPI-M). The biggest losers were the BJP with 1.54% and the Congress with 1.48% fewer votes.

Nonetheless, to sum up the outcome, one could say that a number of factors played a role in forming this surprise result. One thing for certain is that the BJP-led NDA had failed to earn the trust of the electorate. It was vulnerable to the INC and its allies' *sotto voce* campaign that Vajpayee would win the elections for the NDA and then hand over premiership to his colleague L.K. Advani, who is deeply disliked by most. Its much-touted economic policy that favored the educated and the skilled, its policy to re-write the school textbooks emphasizing the glory of the Hindus of India, its anti-Muslim rhetoric, and its attempt to evoke the worst form of bigotry within the fundamentalist Hindus, among other policies, did not meet the approval of the majority of the Hindus, and the Indian people in general.