

India After the Elections - What's Next?

A Congressional Briefing

Date: Wednesday, July 7th, 2004

Venue: Room HC-6, Main Capitol Building, Capitol Hill, Washington DC

Sponsor: Congressman Jim McDermott (D, WA-7)

Special Guest: Congressman Joe Wilson (R, SC-2), Co-Chair India Caucus

Co-Sponsor: Young India Inc. and Congressional Caucus on India and Indian-Americans

Speakers:

- [**Ambassador Karl Inderfurth**](#), Former Assistant Secretary of State for South Asia Affairs (1997-2001). Director, Elliott School International Affairs Program, George Washington University.
- [**Dr. Arvind Panagariya**](#), Professor of Economics and Jagdish Bhagwati Chair of Indian Political Economy, Columbia University
- [**Mr. Rohit Tripathi**](#), President, Young India Inc.

On July 7th, 2004, Congressman Jim McDermott (D, WA-7) hosted a Congressional briefing on the recently concluded Indian elections. The briefing was aimed at understanding the unexpected outcome of these elections. The panel of experts shared their views on broad and profound questions impacting security in South Asia, the growth of democracy in the sub-continent, the emergence of India as an economic player and, above all, the state and future of Indo-US relations.

Congressman McDermott (D, WA-7) started by reflecting on his recently concluded trip to India. He said things in India were “pretty interesting”. Talking of the elections, he commented how the new government’s leaders expressed their surprise at the dramatic INC win and the BJP’s defeat. The Congressman, an avid follower of Indian politics, confessed that the election results left him perplexed. He said that BJP’s “India Shining” campaign, that drew strength from 8% a year growth rate, had been estimated as being sufficient to win the elections. In some sense he said, “What else could you expect out of a government!” But according to the Congressman, the reality was that India wasn’t quite yet “shining” for Indians at the bottom of the socio-economic ladder. In the Congressman’s view, the vote wasn’t against any one party as “people were thrown out all over the place”. He mentioned how incumbents from two different parties in the neighboring states of Karnataka and Andhra Pradesh were driven out of power.

Congressman McDermott (D, WA-7) talked of a similar tension on the matter of separation of church and state as one could see here today in the US. In his talks with various leaders he picked on an ongoing struggle to remain a secular state. He said that the BJP government had been a slight diversion from the “center of the [secular] road”. The Congressman shared his belief that the awful communal violence that Gujarat saw in 2002 had a “tremendous” impact on the electorate. And more than anything it helped “solidify” the opposition against the BJP. He sensed the parties in opposition to the BJP were “worried”

about the direction in which things were going on the secular front. He also brought to the audience's attention recent comments made by the VHP ("World Hindu Organization"), an ideological ally of the BJP, that cited the BJP as not being "Hindu" enough and that the BJP should become more "Hindu". In closing, the Congressman said, "it's an interesting period in Indian history." Congressman McDermott (D, WA-7) thanked Rohit Tripathi and Young India for bringing this briefing idea to his office's attention. The Congressman then proceeded to introduce the panel and Congressman Joe Wilson (R, SC-2), the Republican co-chair of the India Caucus.

Congressman Joe Wilson (R, SC-2), a co-chair of the India Caucus, shared his excitement at the organizing of the briefing. He thanked Young India and its President, Rohit Tripathi for its continued efforts in the spirit of Mahatma Gandhi. Congressman Wilson (R, SC-2) informed the gathered that the mission of the India Caucus was to promote greater interaction between India and the US on all fronts. He shared his excitement at the work the Caucus was doing and the prospects that looked promising. The Congressman recognized Mr. Dino Teppara from his staff, who greatly helped put the briefing together and urged the audience to work with him on any matter relating to India. The Congressman noted the Congressional resolution congratulating India on its Republic Day. He stressed that this resolution passed 418-0 at the height of the anti-outsourcing campaign.

Congressman Wilson (R, SC-2) told the audience that he was looking forward to visiting India in August. The Congressman paid a glowing tribute to Indian Americans and their contributions to his constituency in particular and the United States at large. He had words of admiration for their entrepreneurial spirit and made special mention of Indian physicians in rural communities where they had forged strong ties with the locals. The Congressman closed with a statement filled with utmost respect for India by saying that he had a "deeper appreciation" for Indian democracy after "the greatest demonstration of democracy in the history of the world", referring to the 670 million strong electorate of India.

Indian Foreign Policy

Ambassador Karl F. Inderfurth, former Assistant Secretary of State for South Asia and current Director of the International Affairs Program at GW University's Elliott School of International Affairs provided penetrating insight into the foreign policy implications of the recent elections. The Ambassador focused on the future of Indo-US and Indo-Pak relations.

India-Pakistan Relations

The Ambassador started on an optimistic note by saying it was "very encouraging" to see the new government picking up from where the Vajpayee government had left things with Pakistan. He was especially impressed by the new government's earnestness in regards to relations with Pakistan. The Ambassador specifically mentioned that steps like fully staffing embassies, communication hotlines and other confidence-building measures (CBM's) that came out of the recently concluded secretary-level talks were promising. He singled out the



reaffirmation of both sides to continue the moratorium on nuclear testing as “very important”. In a larger sense he hoped that the US did not disrupt this global moratorium by conducting new tests. Such tests would trigger other nations to restart developments of their nuclear weapons. Commenting on what kind of role he saw the US playing in the India-Pakistan peace process he said that it would be a “supporting” one and not one of mediation.

The Ambassador could not hide his excitement at the news of Mr. Shaukat Aziz assuming the Prime Ministership of Pakistan. He told the audience that Mr. Aziz was a Pakistani-American who worked at CITIBANK. He was full of praise of Mr. Aziz’s efforts in stabilizing the Pakistani economy over the last few years after being invited by President Musharraf to guide the economy. The Ambassador found heart in recent pronouncements by Mr. Aziz where he stressed that his priority will be to improve growth and eradicate poverty.

Ambassador Inderfurth said:

If there is one thing that would turn Pakistan into a progressive and modern state that its founders envisioned it’s fitting to have somebody at the helm focusing on economic affairs. And he [Mr. Shaukat Aziz] has an interlocutor on the Indian side with both the Finance Minister and Prime Minister [so] there could be some really interesting developments.

The Ambassador continued to stress his economic theme for improving Indo-Pak relations by saying that CBM’s need not be limited to security areas but extended into the economic domain as well. He said, “That’s [economic cooperation] the future for both countries” jointly dealing with poverty and development.

The Ambassador congratulated the new UPA government for its decisive steps in regards to Pakistan. He said that the new government could have sat back, re-assessed and employed other bureaucratic machinations to delay things but it did just the opposite. The new government’s earnestness and positive attitude was heartening.

Indo-US Relations

The Ambassador started by sharing his and the intelligence community’s surprise at the 1998 nuclear tests just within weeks the BJP government took office. He shared this surprise because the 1998 manifesto of the BJP alluded to nuclear testing. US policy-makers never paid attention to that statement. Hence, the Ambassador urged gathered policy makers and their staffs to read the manifestos of the Congress party this time around to avoid being surprised again. The Ambassador told the audience that he was relieved to find no mention of a resumption of nuclear testing, which would only escalate tensions. Another important action-item from the Congress manifesto that caught his attention was the mention of CBMs with China.

The Ambassador shifting to what US policymakers must do said, “On the US side we’ve got some work to do.” Going back to the Congress manifesto he noted the perception of a “subordinate” relationship between India and the United States. The Ambassador assured the audience that President Clinton tried “very very hard” to move beyond that mindset. The President persevered to transform the relationship to one based on “respect and equality”.



In the Ambassador's view the Bush administration has continued that approach but much more work needs to be done. However, the Ambassador had some words of caution for the administration. Drawing attention to the Congress manifestos protestations to unilateralism and in general a uni-polar world he suggested that the Bush administration not push India to help in Iraq. Any proactive assistance from India would, however, be welcome.

Ambassador Inderfurth challenged some quaint notions and strategies regarding India. He stressed the need to deal with India on its own merits as an individual partner. Not as a hedge against China or lump it with Pakistan while thinking of the future. Both India and Pakistan have different places in the foreign policy world and that individuality should be exemplified. He said, "New Delhi would want to be treated on its merits and not used in some kind of geopolitical chess game." He also alerted the new government that since the last time they or their allies were in power a "sea-change" has taken place in Indo-US relations and hence a re-modulation to this new reality will greatly benefit relations. The Ambassador repeatedly stressed for US policymakers to pay close attention to developments in India.

In his closing remarks, the Ambassador said that he was "very encouraged" by the overall direction and sincerity of the new government's foreign policy. And as far as Indo-US relations were concerned he remarked that there was "great potential" in the relationship that has been improving at an impressive pace over the last decade.

India's Economic Prospects

Dr. Arvind Panagariya, Jagdish Bhagwati Professor of Indian Political Economy at Columbia University, started by recalling the state of Indo-US relations when he arrived in 1974. According to him there was almost "no interest" in academic and even policy circles in India or the Indian economy. Commenting on the sea change in relations he noted he found it "most delightful" to see how far things have India-U.S. relations have come.

Dr. Panagariya started his election analysis by saying that he had a somewhat "different take". Referring to an op-ed he wrote in the Wall Street Journal on this topic he took exception to the analysis that had dominated the post-election scene. These analyses saw the elections as a vote by the poor against the BJP government's economic policies. He went beyond stating this position and added that analysts had made it a point to say that these economic reforms of the past 15 years had not helped the poor. Dr. Panagariya stressed that carefully gathered official and academic data clearly demonstrated a drop in both urban and rural poverty levels ever since the economic reforms were initiated almost a decade and a half ago. He challenged the notion that a great rural-urban divide was emerging and the election results are a manifestation of that.

The economist from Columbia probed deeper into the reason of the election outcome from an economic standpoint. To dispel this notion of votes against the national policy of economic reforms Dr. Panagariya said that both the states of Rajasthan and Madhya Pradesh that had incumbent Congress Party governments and policies that were more oriented towards the rural populace were convincingly defeated - both at the state and

national level. He then proceeded to talk of Karnataka and Andhra Pradesh where urban oriented policy-makers had been thrown out. The only trend Dr. Panagariya saw was anti-incumbency. He, however, didn't leave things at that. He attributed this anti-incumbency on a "revolution of rising expectations". According to him the electronic media and other technical advances have created awareness amongst the masses about what they can have. And the slow pace with which these benefits have been reaching them are causing resentment and hence the anti-incumbency factor is ever accentuated. Dr. Panagariya said: If someone [political leader] does not deliver fast enough he/she will be thrown out. The same could happen to this government in 5 years.

Dr. Pangariya's prognosis could be termed "cautiously optimistic". He felt economically left-leaning elements of the Congress Party emboldened with the outside support of the Communist parties may push back the reforms. He found the return of the vociferous pro-control lobbies "worrisome". But he was quick to point out a silver lining - the Economic Survey (tabled a day before the event and a prelude to the government's budget). The Indian Economic Survey is like the US President's Economic Report. The survey was heartening to Dr. Panagariya because it talked of sustained 7-8% growth and emphasized 10% or greater industrial growth. The latter number was of special significance to him as achieving it would require the reform process to be continued and accelerated. Further stressing the need for industrial growth Dr. Panagariya said due to an increasing population the majority of Indians (65%) living on agriculture will sooner than later have to be absorbed in industry. He said that the emphasis on industrial growth in addition to the direct assistance programs announced in the CMP would ultimately benefit the farmers themselves, who have an increasingly smaller portion of land to sustain themselves. In closing, Dr. Panagariya said that things would be clearer after the government presented the budget.

Young India Perspective

Rohit Tripathi, President of Young India, thanked Congressman McDermott (D, WA-7) and Mr. Sean Hughes for all their help in putting together the briefing. He also thanked Congressman Wilson (R, SC-2) and Mr. Dino Teppara for their invaluable help with outreach.

Mr. Tripathi started by sharing a general observation about globalization. He said that globalization had led to "customization". Consumers the world over were dictating what they wanted. According to Mr. Tripathi, this demand for customized delivery of services is not limited to the commercial world alone but it's finding its way into the political world as well. Mr. Tripathi said that this desire for "customization" manifested itself as "decentralization" in the political world. He said that he saw the latest election results as a "string of local elections" and the only national trend he saw was one in which the citizenry demanded an increased control over their political and economic destinies. He saw the incumbent losses as a sign of the inability of the existing political class to fully grasp this concept.

Mr. Tripathi expanded on his thesis of decentralization by exposing the limited political reach of homogenizing ideas and campaigns. He exemplified this limitation by saying that the

BJP's approach of creating a one-size fits all version of Hinduism ran contrary to the rich diversity of understanding and expression that exists within India's Hindu fold. Such an attempt by the BJP could only produce limited and regional benefits and not a national victory. Borrowing from a friend's phrase he stressed today the Indian electorate demanded that the nature of their polity move beyond the point where the contestants promise them "the best choice" rather than the ability to give them power to have "choices"! This apparent elitism in the Indian political class and lack of belief in the abilities of the masses that desists it from devolving power to the local levels showed how the political class lagged the political reality of these times.

The results from Andhra Pradesh that found mention in previous presentations were part of Mr. Tripathi's speech as well. He brought the audience's attention to the horrendous situation in Andhra Pradesh's agricultural sector where debt-ridden farmers had been committing suicide in alarming numbers. According to one source, Mr. Tripathi said that 2992 farmers had committed suicide in 2002-03 alone. Among other factors Mr. Tripathi blamed this tragic scenario on incompetent development policies that in the end left the farmers with the same amount of profit (if any) but forcing them to take loans beyond their abilities to repay - all on government encouragement.

One intriguing question that Mr. Tripathi addressed was relating to the future of "Hindutva" – the BJP's "Hinduism"-based cultural nationalism ideology. Going back to his central theme of the inefficacy of campaigns that ignore India's diversity Mr. Tripathi said that even though the fundamentalist forces within the BJP and other parties had not been able to pull out a national electoral victory they were still alive and well.

Mr. Tripathi insisted that both the right led by the BJP and the left led by the Communist parties had somewhat homogeneous policies that ignored India's cultural diversity and geographical variability. Mr. Tripathi contended this drive for centralized control – be it cultural as in the case of the BJP or economic as in the case of the Left will in the long run alienate people. And until and unless the major parties don't realize this trend they will not be able to muster a simple majority on their own. Mr. Tripathi noted that in the recently concluded National Executive meeting of the BJP ex-Prime Minister Vajpayee's efforts to bring up the issue of removing Gujarat Chief Minister Narendra Modi (chastised for his inaction during the violence that gripped the state in 2002) were snubbed. To the contrary faith in Mr. Modi's leadership was enthusiastically reaffirmed. Mr. Tripathi expressed his hope that the moderates in the BJP, whose service the country badly needs, will assert themselves as the current leadership pledges to go back to the "basics" (more firmly asserting "Hindu" identity). Mr. Tripathi was insistent in his urging the BJP moderates to not be silent at this critical juncture. He also cautioned the BJP's moderate supporters to these turn of events. Later in the Q&A session Mr. Tripathi called on all political parties to stop using religion as a divisive issue. At some point or the other they all had played such divisive cards.

Mr. Tripathi touched upon the ever-controversial issue of Kashmir. He said as an Indian it is difficult to discuss it as both Indians and Pakistanis have an "undeniable" emotional attachment to Kashmir. He said the Indians see it as an integral part of their country

whereas Pakistan sees it as “unfinished” business of partition. Mr. Tripathi said the “sad part” was that the people of Kashmir and their issues are rarely acknowledged. Even though both India and Pakistan were going forward and are “discussing” Kashmir, Mr. Tripathi questioned the true level of local support self-styled Kashmiri leaders had. He urged both countries to find and talk with the people and their real representatives. Mr. Tripathi noted the difficulty of this task by sharing with the audience the fact that lowest voter turnout in all of the Indian states and territories was in Kashmir – 35%, 23% below the national average. According to Mr. Tripathi, the Pakistani side should not feel too comfortable as it’s not like they’ve produced a “model” democracy on the other side of the LOC (line of control, de facto border). Mr. Tripathi stressed the need for “honest engagement” with the people of Kashmir.

The President of Young India shared his views on the economic situation from an “activist” perspective. Mr. Tripathi said that over the last decade or so a new breed of NGO’s had emerged. This breed is more directly involved at the grass roots through programs like micro-credit, woman’s employment, adult literacy and a whole host of other directly relevant socio-economic programs. Mr. Tripathi said that talking to activists, including his own father; he got a “different sense” of the relative situation in rural and urban India. According to Mr. Tripathi, he had no doubt that the manner in which economic liberalizing policies have been carried out they have generated more discontent in rural India than in urban India. Not all blame could be placed on the policies but as Mr. Tripathi pointed out, on the people who proposed them but failed to communicate them. He said the policies of such economic magnitude were implemented by “stealth” and the most affected by them were neither consulted nor made aware of the impact on them. He found this contrary to the way Jawahar Lal Nehru (India’s first Prime-Minister) approached matters of such importance. Recalling a piece written by Dr. Panagariya a few years ago he reminded the audience of how when India was building national dams Pandit Nehru would go deep into rural India to talk to the people and explain to them in simple terms why India was embarking on such ambitious projects. Mr. Tripathi said that the dam policy itself may be called into question but Pandit Nehru’s efforts to communicate with the nation are still praiseworthy and an example for modern leaders.

Mr. Tripathi shifted his focus to Indo-US relations and said that he agreed with Ambassador Inderfurth’s assessment that India perceived itself as a “subordinate” partner in the relationship. Mr. Tripathi drew attention to the word “independence” in the Congress Party’s manifesto as well as the new coalition’s CMP. He took this opportunity to talk of Young India’s objective to bring together people from both political systems to create a bond of intellectual respect. Mr. Tripathi said that without this intellectual respect it would be very difficult to achieve a friendship that puts both India and US on the same footing. He stressed the role of the diaspora in bringing the two nations closer and forging a new type of bond. He announced that Young India would continue to have forums on the Hill that brought a panel of Indian and American leaders and activists to create a new intellectual space. Mr. Tripathi hoped that Congressional hearings and other South Asia related events would have more people from the region. He emphasized the need for a wide array of perspectives and opinions to be discussed.



In closing, Mr. Tripathi said that all of Young India's efforts are dedicated to understanding democracy. He conceded that India's and America's democracy was based on different cultural foundations yet shared enough similarities calling for serious engagement. Mr. Tripathi reminded the audience how both nations had "placed their collective aspirations and faith in democracy". He urged Members and staff to engage with India at a level deeper than the official. He told the gathered that Young India would help facilitate this exploration of an India beyond the official lens. Recalling the words of a friend, Mr. Tripathi said, for democracy to win, ideology will have to give room to information. An informed political system stands a better chance of achieving the democratic ideal than one that is paralyzed by ideology bereft of knowledge.

Conclusion

The massive challenges confronted by Indian democracy cannot be all addressed in one sitting. The Indian experiment can, however, be admired and critically observed. And that was what this second briefing on the Indian elections by Young India tried to achieve. Whether the election results displayed disenchantment with the current set of economic reforms or with their implementation will only be clear in the time to come. Through the perspectives presented by the analysts it is clear that domestically the economic question has undoubtedly taken political centre stage. Will economic liberalization in its current formulation succeed is the question that is at the heart of the current debate. The speakers did not only address the question from the economic perspective but also from a socio-political one as well. This gave the briefing a more holistic feel.

On the foreign policy front the perceptible sense from the speakers was that the relations with Pakistan and the United States seem to be on the right track and there was bipartisan acceptance of this fact. There was passionate emphasis on maintaining this positive momentum.

The briefing by Young India was informative and engaging. The speakers commanded the audience's attention through their remarks and the Q&A that followed. The briefing was not an exhaustive analysis of the current state of affairs in India but tried to touch some of the more important areas though the depth of analysis was a function of the time constraints. Questions of development, education and employment deserved more attention. The organizers intend to fully delve into these issues that profoundly affect India in future briefings. This briefing was step in a direction that will show Congress and the world a much more composite picture of a great nation and help them formulate policy with a greater sense of awareness.

***A special thanks to Mr. Sean Hughes from Congressman McDermott's Office ***