

## **Elections in Andhra Pradesh – Issues and Possible Scenarios**

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### **Summary**

*Andhra Pradesh is one of two major India states where national and state elections will be held simultaneously on 11 April 2019. Past results seem to suggest that the voters tend to choose the same party in both national and state polls if they are held simultaneously. Opinion polls and ground level reports indicate that the opposition YSR Congress (YSRC) has the edge against the ruling Telugu Desam Party (TDP). Anti-incumbency and the inability of the current Chief Minister, Chandrababu Naidu, to get a special package for Andhra Pradesh are some of the factors going against the TDP. A government of the YSRC will continue with the development of Amaravati, but could revisit some of the projects associated with it.*

### **Introduction**

Andhra Pradesh (AP) is one of the states in India which will witness the Lok Sabha (Lower House) and Assembly elections taking place concurrently in the first phase of the general elections on 11 April 2019. The election date itself has become a contentious issue. Andhra Pradesh's Chief Minister Chandrababu Naidu has viewed the state election being held in the first phase of the general elections as a conspiracy aimed at providing as little time as possible to him to conduct his campaign prior to the elections.

The election date might be the least of Naidu's worries though. A recent opinion survey by Times Now-VMR has predicted that Naidu's Telugu Desam Party (TDP) will win only three out of Andhra Pradesh's 25 Lok Sabha seats with the opposition YSR Congress (YSRC), led by Jagan Mohan Reddy, winning 22 seats. This will be a reversal of the 2014 Lok Sabha result where the TDP had won 15 seats and the YSRC eight seats. In 2014, the Bharatiya Janata Party (BJP), which had a tie-up with the TDP, won two seats.

### **Anti-incumbency**

A key reason for the prediction of losses by pollster for the TDP is anti-incumbency. The perception among Andhra Pradesh's voters seems to be that Naidu has not delivered enough in the last five years. Naidu was hamstrung by the fact that the central government did not give a special package to Andhra Pradesh to compensate for the bifurcation of the erstwhile Andhra Pradesh state into two units: Andhra Pradesh and Telangana. This occurred despite the TDP being part of the BJP-led National Democratic Alliance (NDA). Indeed, Jagan and the YSRC led the agitation against the denial of 'special category status' to Andhra Pradesh, forcing Naidu to distance himself from the BJP government at the centre and also to back a no-confidence motion against the government in 2018.

Though Naidu quit the NDA in March 2018 to protest against the denial of a special package to Andhra Pradesh, it did not seem to have done much for his popularity among the voters. Naidu will, however, be banking on welfare schemes in the form of pensions, waiver of farm loans of self-help groups, cash subsidies to the farmers and unemployment allowance to jobless youth to him remain in power for another term.

## **Fierce Assembly Elections**

The contest for the Assembly elections will be equally fierce. In the 2014 Assembly polls, the difference in vote share between the TDP and the YSRC was less than one per cent though the TDP won 102 out of 175 Assembly seats and the YSRC secured 66 seats. If it is a close contest between the TDP and the YSRC, the TDP might not win as many seats as it did in 2014. This is partly due to the parting of ways between TDP and its former allies, the BJP and the Jana Sena Party (JSP), led by actor-turned-politician Pawan Kalyan. The JSP, which has tied up with the Bahujan Samaj Party and the Left parties, is contesting all the Lok Sabha and Assembly seats and could hurt the TDP in certain parts of the state. While the JSP might not win many seats, Kalyan commands support in the two Godavari districts with a high Kapu population. He himself is contesting from two Assembly constituencies – Bheemavaram in west Godavari district and Gajuwaka in Visakhapatnam district.

Interestingly, Nara Lokesh Naidu, Naidu's son, is making his electoral debut by contesting from the Mangalagiri Assembly constituency in the heart of the Amaravati Capital Region. Lokesh, the state's Information Technology, and Panchayati Raj and Rural Development Minister, was earlier a member of the indirectly-elected Legislative Council. This shows that Naidu seems to be confident about his party's electoral prospects in the Amaravati region. Lokesh has been instrumental in the TDP using digital platforms in a big way to reach out to the voters.

## **Economic Issues in the Elections**

Andhra Pradesh and the incumbent TDP government under Chief Minister Naidu face the major political challenge of convincing the electorate that the non-grant of 'special category status' by the Narendra Modi government is responsible for inadequate development in the state.

The last Assembly elections in Andhra Pradesh were held on the back of the passage of the Andhra Pradesh Reorganisation Act of 2014. The then-Prime Minister Manmohan Singh had provided an oral assurance during the debate on the subject in Rajya Sabha (Upper House of the Indian Parliament) about the granting of 'special category status' to Andhra Pradesh for a period of five years. The status would have, according to the TDP government, given Andhra Pradesh priority access to Central funds to make good the revenue loss it suffered during the bifurcation. The TDP also claims that, during the campaign in the run-up to the general elections in 2014, the BJP had promised 'special category status' to Andhra Pradesh for 10 years. This again, according to the TDP, was the main reason for it entering into a political alliance with the Modi government. The current strained ties between the BJP and the TDP, according to the latter, are due to the BJP not honouring its commitment of granting of the 'special category status' to the state.

The problem is that large-scale development projects in Andhra Pradesh are indeed suffering due to a lack of adequate funds with the state government. These are the projects that generate short-term employment and also make a 'visible' impact on the electorate. Major development projects like the Polavaram irrigation project, and development work in the backward areas of Rayalseema, for example, have not been able to take off due to a lack of funds. The progress of public works in Amaravati too has been sketchy due to lack of funds. Though Andhra Pradesh has been growing at one of the fastest rates among Indian states and is ranked at the top in 'doing business', it is uncertain that these have resulted in actual improvement of living standards for most people, particularly the rural population, across the state. If they have not, then the TDP and Naidu might face the wrath of the voters. Convincing them that the Centre and the Modi government are the 'villains' might be a tall order.

Farmer votes would be decisive in determining the electoral outcome in Andhra Pradesh. Like in neighbouring Telangana, farmers' suicides, driven by poor prices fetched by the farmers for their produce, particularly in drought-prone districts, have been major worries for the government. The minimum income scheme for the farmers in Telangana (Rythu Bandhu) worked well for the incumbent Telangana Rashtra Samithi (TRS) in Telangana. The TDP, apart from announcing compensations for loss-making farmers in drought-prone districts last year, has recently announced a minimum scheme for the farmers. Coming well after Telangana and the *Pradhan Mantri Kisan Samman Nidhi* (PM-Kisan)<sup>1</sup> announced by the Union Budget, the announcement might have lost some of the political influence it could have generated. Nonetheless, it could still help the TDP and Naidu in protecting rural votes. On the whole, apart from the usual voter cynicism produced by anti-incumbency sentiments, Naidu and the TDP are saddled with a not-too-satisfactory economic report card. While they might not be entirely responsible for this, the voters might think otherwise during the elections.

## Issues in Amaravati

The construction of the new capital has proceeded very slowly. To date, three and a half years after Prime Minister Modi laid the foundation stone for the new capital, nothing has been built besides a temporary Legislative Assembly and Secretariat. Two key reasons explain the delay. First, the Andhra Pradesh government rejected the plan of Maa Ki (a Japanese architects firm) and handed the project to a United Kingdom-based firm (Foster and Partners) in early 2017. The Andhra Pradesh government later sent filmmaker Rajamouli to advise the firm which caused further delays. Second, there are serious financial constraints to kick off the project. The central government has not invested significant resources, has refused to grant a 'special category status' to Andhra Pradesh (which would have helped to grant tax concessions to investors) and Naidu's decision to withdraw support to the ruling NDA compromised any possible concessions from the central government. The Andhra Pradesh government's request for a loan from the World Bank has recently been

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<sup>1</sup> Under the PM-Kisan scheme, 120 million small and marginal Indian farmers with less than 4.9 acres of landholding, will receive up to ₹6,000 (\$112) a year as minimum income support. See "PM-Kisan scheme: About 4.74 crore farmers to get second installment from next month", *Times of India*, 23 March 2019. [http://timesofindia.indiatimes.com/articleshow/68535806.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/68535806.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst). Accessed on 23 March 2019.

approved (US\$300 million [S\$406 million] from the World Bank plus US\$200 million [S\$270.5 million] from the Asian Infrastructure Investment Bank). The approval had been delayed for several months because of a complaint by the farmers' organisations alleging irregularities in land procurement.

Land procurement for the capital was secured through an innovative land pooling scheme whereby the farmers voluntarily gave up their land in exchange for a smaller plot of developed land in the future. Out of the objective of securing 38,581 acres by June 2018, 33,700 acres were consolidated under the land pooling scheme. The remaining acres are to be acquired through the Land Acquisition, Rehabilitation and Resettlement Act, 2013, which might prove to be a lengthy process. There are also signs that the farmers who joined the land pooling scheme are getting anxious as no construction has begun as yet, which, they fear, could mean that their developed plot of land will take years to be actually developed. This is a potential source of problem for the future government of Andhra Pradesh.

## **Possible Scenarios**

The results of the state elections due in April 2019 are difficult to predict but it seems that the two main contenders (YSRC and the incumbent TDP) have an equal chance of winning them. There are, therefore, two possible scenarios. If the TDP retains power, the construction of the new capital will proceed although Naidu cannot expect a favourable treatment from the central government in case Modi remains the prime minister. Therefore, financial constraints might remain a critical problem.

Second, if the YSRC forms the government, the Amaravati project should continue as planned. According to sources that were present at meetings between the leader of the YSRC, Jagan, and farmers from the Amaravati area, Jagan promised repeatedly not to move the location of the new capital. However, there is the possibility that some projects might be revisited by the new government. This is, of course, facilitated by the fact that the construction has not started as yet. The relationship of an YSRC government with a new NDA government at the Centre is expected to be better – YSRC is one of the possible allies of the NDA in the South. However, YSRC's leader, Jagan, might not be in a strong negotiating position with the central government, given his pending legal case.<sup>2</sup> This could impact his ability to extract significant financial concessions from the central government.

## **Conclusion**

If the recent opinion polls are any indication, the YSRC is expected to do well in the Lok Sabha elections. Ground level opinion too seems to suggest that the TDP will be locked in a tight contest with the YSRC in the Assembly elections. Past results seem to indicate that the voters tend to choose the same party in both national and state polls if they are held simultaneously. If the BJP, unlike in 2014, falls short of a majority in the Lok Sabha, the YSRC is a potential ally. In that situation, the BJP's allies will have more leeway in pushing their

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<sup>2</sup> Jagan was arrested and spent 16 months in jail in a disproportionate asset case in 2012. The investigation is led by the Central Bureau of Investigation that is under the control of the central government.

agenda, compared to 2014-19 when the BJP had a majority on its own. Jagan has gone on record saying that he is willing to back a BJP government at the centre so long as the BJP is willing to commit to a special package for Andhra Pradesh. As for Amaravati, there will be continuities in its development, but it is likely that an YSRC government could re-negotiate some deals and their terms and conditions.

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