

ISAS Brief

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A Poll-Time Indian Narrative

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With India holding the largest democratic exercise in the world right now, some of the settled patterns in Indian politics seem poised for change. New leaders having taken over the reins in India's major political parties, amid a plethora of regional blocs, the 2014 general election to the Lok Sabha (the powerful Lower House of Parliament) promises a fresh Indian narrative. On the campaign trail, India's political parties have tried to frame the debate with a view to discredit each other's opponents in partisan ways. Staking claim to power at the Centre, the national helm of affairs, after a decade in opposition, the Bharatiya Janata Party (BJP) has been quick to focus on the corruption scandals, price rise and economic failures under the outgoing Congress-led

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United Progressive Alliance (UPA) regime. The Congress, for its part, has cautioned against the ‘communal’ brand of politics practised by the BJP-Rashtriya Swayamsevak Sangh (RSS) combine. As the election runs its course both parties have articulated their future strategies for the country in their respective election manifestos.²

Given that the majority of India’s vast electorate may not care to read an election manifesto, the document has limited significance in terms of electoral fortunes of the parties in the fray. Yet it remains an important document in that it is the authoritative policy statement of a political party and offers it a broad policy direction should it come to power. It can help the electorate choose from the competing visions presented by different political parties and serve as a useful performance benchmark after the elections. However, there is always a danger that the parties might over-state their promises in order to woo the electorate. Traditionally, there has been a broad convergence between the election manifestos of the BJP and the Congress. Despite their ideological differences both parties have in the past expressed similar policies to address major issues confronting India. This is true as well of the 2014 election manifestos. Both parties focused on reviving the economy, creating jobs and expanding welfare schemes. That being said, there are differences in focus, strategy and approach. The following comparison of the BJP and Congress manifestos has been undertaken on the basis of five broad issues: economy; governance and development; infrastructure, energy and natural resources; national security and foreign policy.

Economy

In the face of a decline in the country’s rate of economic growth, the key focus of both political parties is on reviving and accelerating growth. Despite being accused of helming affairs when the economy nosedived to 4.5% in 2012-13, the lowest in a decade, the Congress has promised to restore the country to 8%-plus growth rate within 3 years. The BJP manifesto emphasises the need to reverse policy paralysis and the restoration of confidence as paramount to reviving growth.

² The BJP released its manifesto on the first day of polling, 7 April 2014, 12 days after the Congress manifesto was unveiled.

While the Congress party has announced zero-aversion to Foreign Direct Investments, the BJP intends to prohibit investments in the multi-brand retail sector although the party reiterates that it is keen to attract investments that create jobs in infrastructure and in areas that would facilitate transfer of technology to the country. Given that traders and small businesses are likely to be hit the hardest with the entry of big multi-brand retail stores, the BJP's position in this regard clearly seeks to alleviate the concerns of its key constituency. Keeping in line with the party's projection as being business-friendly and in a veiled mocking of the infamous 'retrospective tax' episode, the party has promised the end of what it calls 'Tax Terrorism' by rationalising and simplifying the tax regime, overhauling the dispute resolution mechanism and addressing the concerns of states in implementing the Goods and Services Tax (GST). The BJP's manifesto also mentions that it will ensure quicker and more investor-friendly mechanisms for clearances of FDI proposals. The Congress manifesto informs that it will introduce the GST and a new Direct Tax Code Bill within one year.

The revival of the manufacturing sector is a strong theme both parties see as the mainstay that is expected to create jobs. The promotion of import substitution also finds prominent mention in both manifestoes. This can be seen as the parties' way of addressing the high current account deficit and bringing down the import bill. The Congress manifesto promises a growth rate of 10% in the sector, with the party pledging to train 10 crore (10 million) youth and provide them with jobs within the next 5 years. For the BJP, reviving the manufacturing sector is intended not only to bridge the demand-supply gap leading to price stabilisation, but also to create jobs, increase incomes for the working class, increase revenue for government and bring down the import bill.

Tourism receives no mention in the Congress manifesto but is seen by the BJP as a key untapped potential that will play an important role as a foreign exchange earner and in the creation of jobs. The BJP intends to develop 50 tourist circuits around themes including heritage, culture and spirituality, mountaineering, deserts and beaches, medical tourism and so on.

Both parties promise reform in labour laws, greater fiscal discipline, reforms in the banking sector, mainly in terms of widening access, and steps to reduce non-performing assets in public sector undertakings. These promises also reflect some intention of both the parties to entice foreign investors and address some of their concerns. While public-private partnerships have

been mentioned several times, the absence of any mention of privatisation or disinvestment, particularly in the BJP manifesto, is conspicuous.

Governance and Development

The rights-based approach to development that has come to be a key defining characteristic of the Congress has been taken forward in the manifesto with promises of rights to health, pension, homestead, social security, dignity and humane working conditions and entrepreneurship. The BJP, on the other hand, advocates a model of development that is driven by states and decentralisation. The Congress-led UPA was, on several occasions, accused of undermining states and concentrating power in New Delhi. The BJP's mention of its intention to engage chief ministers in a much more active manner, as equal partners, seeks to assuage fears of neglect of regional interests. This may well be reflective of the party's preference for greater decentralisation, but it is also a calculated measure towards drawing allies after the elections. The BJP also favours greater decentralisation through the creation of smaller states.

An emphasis on the further development of healthcare infrastructure and provision of quality education, including skills training, is common to both parties. The Congress intends to increase spending on health to 3% of GDP, while the BJP has voiced its intentions to build All India Institute of Medical Sciences (AIIMS)-like institute in every state should the party come to power.

Notwithstanding the considerable time it has taken to appoint a Lok Pal, Congress has promised the appointment of a Special Envoy to track down and recover 'black' money, the passage of other anti-corruption legislations such as the Prevention of Corruption (Amendment) Bill, increased transparency in the funding of political activities and the enactment of the Judicial Appointment Bill. The BJP meanwhile suggests the initiation of electoral reforms to eliminate criminalisation of politics and, in consultation with other parties, evolve a method to conduct state assembly and Lok Sabha elections simultaneously so as to reduce expenses. The BJP also commits itself to judicial reforms particularly in appointing judges, opening new courts, setting

up mechanisms for speedy clearance of backlogs and exploring the development of Alternative Dispute Resolution mechanisms. Further, mention is made of making the Lokpal institution more effective and rolling out an e-governance plan to ensure greater transparency and access to the system.

Infrastructure, Energy and Natural Resources

The need to rectify the current under-spending and other problems in implementation with regard to infrastructure is not lost in the manifestoes of either the BJP or Congress. The acknowledgment that the development of robust infrastructure is a precondition for growth is marked by the Congress' pledge to spend more than US\$ 1 trillion over the next 10 years on upgrading the country's power, transport and other development infrastructure. The BJP meanwhile has announced its intention to expedite the country's freight- and industrial-corridors while evolving an economic model of "port-led development" which it calls the *Sagar Mala* project.

Significant among the Congress' plans are the connecting of all cities with million-plus populations through High Speed Rail, the completion of the Eastern and Western Dedicated Freight Corridors, development of the Regional Rapid Transit Systems in and around Delhi, upgrading ports and an emphasis on the development of inland waterways. For the BJP, the freight- and industrial corridors are a priority, and specific mention has been made of the intention to connect remote regions like the Northeast and Jammu and Kashmir. The setting up of Gas Grids to connect every household, setting up of a National Optic Fibre Network, development of waterways and the launching of a Diamond Quadrilateral project of High Speed Train network also find prominent mention. While the pronouncement of intentions to initiating mega projects that will be key to growth has become a standard practice, the political will and the capacity of the next government to see through these projects will be carefully watched by investors and by funding agencies whom both parties will need to take on board.

Along with infrastructure, the provision and availability of energy has a direct impact on growth in the country, but this has often been a cause of contention between industries and local

communities. The Congress intends to create a Special Purpose Vehicle to be “responsible for the judicious allocation of resources” to ensure “a balance between present requirements and future demands”. A target of 100% access to electricity for urban areas has been set by the Congress. The BJP says it will take steps to increase and expedite the domestic coal, oil and gas exploration and production while also diversifying supply by encouraging the use of small hydro projects and renewable energy sources. The BJP also mentions its intent to develop closer collaboration with state governments in the allocation of resources, the implementation of auction, and the encouragement of value addition to natural resources.

Foreign Policy

Foreign policy is usually a minor issue during an election campaign, particularly in the Indian context. This trend is mirrored in the latest election manifestos of the BJP and Congress. Both parties refer to foreign affairs at the very end of their vision document and devote no more than two pages to the subject.

That being said, the foreign policy sections of the Congress and BJP manifestos open on an ambitious note. The Congress is confident of implementing a “dynamic and robust foreign policy”, while the BJP speaks of a “resurgent” India taking its rightful place in the international system. Both parties stress their shared commitment towards contributing to the global challenges of fighting climate change and cross-border terrorism. There is also a clear intent to improve ties in India’s immediate neighbourhood as well as strengthen multilateral institutions such as the South Asian Association for Regional Cooperation (SAARC). The BJP manifesto, however, also goes on to suggest that they are willing to take a “strong stand” (on national security?), possibly an indirect reference to Pakistan.

Interestingly, rather than looking towards the future, the Congress manifesto refers to the Non-Aligned Movement and promises continued support to its “socialist” friends. There is no specific mention of the United States. Belying expectations, the Congress views India not as an aspiring global power, but rather as a “bridge” between the developed and the developing world that extends support to its neighbours and non-aligned partners of old. The BJP platform also underscores strategic autonomy, and like in the Congress manifesto, there is no reference to the

United States. Beyond a curious mention of creating “a web of allies” there is no articulated strategy towards increasing India’s global influence.

Given that the demand for energy and meeting that need from external sources have become important concerns for India, the manner of its engagement with several countries, the ability to step up domestic production and the trajectory of its demands will all have an impact on foreign policy. The BJP sees India’s energy needs as a matter of national security and says that effort will be made to ensure a diversity of sources in order to “avoid reliance on one supplier”.

A new element introduced by the BJP manifesto was the demand to bring India’s states into the framework of foreign policy and diplomacy. A key takeaway from Prime Minister Manmohan Singh’s unsuccessful visit to Bangladesh in 2011 was that domestic politics is increasingly impacting foreign relations. Wary of last-minute spoilers during foreign negotiations, the BJP will encourage state input in foreign policy building. The Congress manifesto reveals no such inclination. It does, however, bow to domestic pressure by advocating “full equality” for Tamils and other minorities in Sri Lanka and calling for a detailed inquiry into the human rights violations committed during the civil war there in 2009.

The UPA Government, in its second term, has allowed relations with its neighbours to drift – according to the BJP manifesto. By not referring to its two terms in office, the Congress manifesto passes up an opportunity to highlight the achievements of the UPA Government. Conversely, by not taking up any specifics in its manifesto, the BJP allows itself more time to settle on a nuanced foreign policy position.

National Security

On matters of national security, there is a contrast in the level of detail in the BJP and Congress platforms. The BJP manifesto touches upon internal security, external security, defence production and India’s nuclear doctrine; whereas the Congress platform offers three broad and generalised points on internal security before briefly mentioning defence modernisation and the welfare of ex-servicemen in the same breath.

Both parties identify Left-wing extremism as an important challenge to India's domestic security and advocate modernisation of the police forces to manage the threat. The Congress manifesto promotes a development agenda as a long-term counter to Maoism, while the BJP emphasises that negotiations with insurgents may only take place within the constitutional framework.

The BJP manifesto offers specific guidelines for institutional reform within the national security apparatus. If voted into government it will seek to strengthen the National Investigative Agency, reform the National Security Council, set up a National Maritime Authority to expand coastal security, address the manpower shortage by making the short-service commission (SSC) more attractive, and set up dedicated defence universities. The BJP manifesto also picks up on current national security trends and endeavours to improve the digital and cyber security infrastructure of the country. The Congress manifesto offers no views on these subjects.

On matters of defence production, both platforms promise to expand India's domestic manufacturing base. In addition, the Congress is inclined towards continued procurement of state-of-the-art defence equipment for India's armed forces. The BJP manifesto envisions greater private sector participation and increased funding for the Defence Research and Development Organisation (DRDO). Significantly, the BJP manifesto states that they will consider increasing FDI in "selected defence industries", an option that the UPA government has resisted thus far.

The BJP manifesto's pledge to "revise and update" India's nuclear doctrine so that it may be "relevant to challenges of current times" is startling. Such terminology could be interpreted as an end to India's 'no-first use' nuclear policy with dangerous security implications for the subcontinent. Or it could just be pompous posturing to evoke nationalist sentiment. There is also reference to India's civil-nuclear programme. Citing the importance of nuclear power as a contributor to India's energy sector, the BJP is committed to the indigenous Thorium Technology Programme.

As expected, the BJP manifesto offers a more strident and assertive national security perspective. The nuclear doctrine controversy notwithstanding, the BJP manifesto intimates a detailed and thought-out strategy for India's national security. The national security section of the Congress manifesto provides little detail and is certainly far less assertive.

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KEY ISSUES	BHARATIYA JANATA PARTY	CONGRESS
Economy	<ul style="list-style-type: none"> • Against FDI in multi-brand retail. • Simplify tax regime and work with states in implementing GST. • Revive manufacturing sector to bridge demand-supply gap. This will lead to price stabilisation. 	<ul style="list-style-type: none"> • Pro-FDI in all sectors. • Will introduce GST and a new Direct Tax Code Bill within one year. • Ensure 10% growth in manufacturing sector; Train 10 crore (10 million) youth and provide them with jobs in the next 5 years.
Governance & Development	<ul style="list-style-type: none"> • Development to be driven by states and decentralisation. • Improve healthcare by building All India Institute of Medical Sciences (AIIMS)-like institute in every state. • Make Lokpal institution more effective; introduce transparency through e-governance. 	<ul style="list-style-type: none"> • Rights-based approach to development. The right to health, pension, social security, homestead and humane working conditions. • Increase health spending to 3% of GDP. • Widen scope of anti-corruption legislation such as Prevention of Corruption Bill. Appoint Special Envoy to recover black money.
Infrastructure, Energy & Natural Resources	<ul style="list-style-type: none"> • Introduce an economic model of “port-led development”. Expedite development of freight-and industrial-corridors. • Launch the Diamond Quadrilateral Hi-Speed Train Network. • Expedite domestic exploration of resources. Diversify supply by encouraging projects. Value addition to natural resources. 	<ul style="list-style-type: none"> • Spend US\$ 1 trillion over next 10 years in upgrading the power, transport and other development infrastructure. • Connect all cities with million-plus population through High Speed Rail. • Special Purpose Vehicle for judicious allocation of natural resources. 100% access to electricity for urban areas.
National Security	<ul style="list-style-type: none"> • Negotiations with insurgents only within constitutional framework. Modernisation of police forces to expand domestic security. • Will consider increasing FDI in select defence industries. Develop domestic defence manufacturing base and increase funding for the Defence Research and Development Organisation. • ‘Revise and update’ India’s nuclear doctrine. 	<ul style="list-style-type: none"> • Development agenda as a long-term counter to Maoism. Improve infrastructure and provide modern equipment for security forces posted in Maoist areas. • Against more than 26% FDI in defence industry. Reduce military imports by upgrading indigenous manufacturing capabilities.
Foreign Policy	<ul style="list-style-type: none"> • Build international consensus on global warming and terrorism. • Mend equations with neighbours but also take a strong stand if necessary. • Strengthen South Asian Association for Regional Cooperation (SAARC) and Association of Southeast Asian Nations. • Encourage state input in foreign policy formulation. 	<ul style="list-style-type: none"> • Committed to the fight against cross-border terrorism and climate change. • Act as a bridge between the developed and developing world. Support non-aligned partners and socialist friends. • Realise South Asian economic community through SAARC. • Will push for full equality of Tamils and other minorities in Sri Lanka.