



# India After the Elections: Inspirations for Europe

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## INTRODUCTION

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### Reports and Analyses

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Six and a half decades after independence, India has grown into a regional power which is a member of the G20 and BRICS, has nuclear weapons and aspires to play a leading role in the global world. At the same time, India suffers from lack of electricity and water, it is constrained by bureaucracy and torn by economic inequality and social tensions. Overcoming those contradictions and directing human energy towards growth are the main tasks of the new government. There is much to be gained. The Union of India, made up of 29 states and 7 territories, is a land of great opportunities. Governing India – a multi-ethnic and multi-religious sub-continent inhabited by 1.2 billion people – calls for many abilities on the part of its leaders. Their experiences could prove valuable for the political leaders of Europe.

# INDIA AFTER THE ELECTIONS: Inspirations for Europe

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‘Not just a new regime, it’s a new era’ – declared the *Times of India*, one of the sub-continent’s most popular English-language dailies, on the front page of its issue of 26 May 2014, the day Narendra Modi, the new prime minister, was sworn in. The national-conservative Indian People’s Party (Bharatiya Janata Party – BJP) literally crushed the centrist and secular Indian National Congress Party, which had brought India independence and governed it since 1947, with interludes in 1977-79, 1989-1991 and 1998-2004. The ‘political tsunami’ of 2014, has given the winning party the majority that allows it to govern the country single-handedly. This is the first time such a situation has taken place since 1984, and it facilitates the stabilisation of the political centre of the Union of India. Although the new government will be a coalition one, it will be dominated by the BJP.

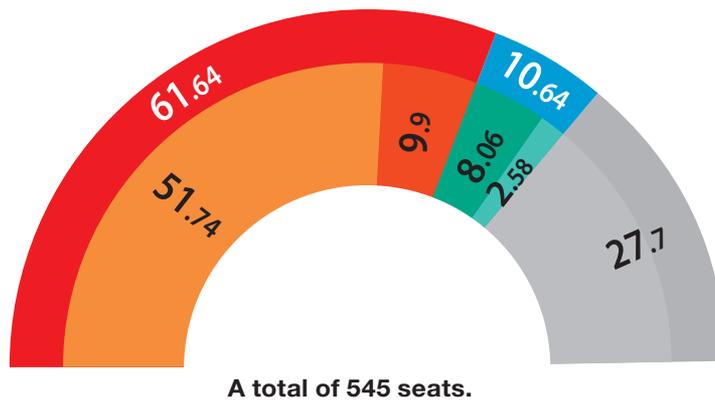
## The collapse of ‘the empire’ of the Gandhis

India has six nationwide political parties, of which Congress and BJP are the largest, 47 state parties, and a total of 1,670 registered groups. Voting in parliamentary elections takes place in stages, every few days – this time over the longest ever period of more than a month with 10 voting days in total (thus allowing the authorities to transfer functionaries and security forces to the appropriate area of the country to ensure a free and fair poll). This year, the Indians

decided they have clearly had enough of the Congress-dominated government system which they thought inefficient and corrupted. They did not so much vote for anyone in particular, as against the ruling centre-left UPA (United Progressive Alliance), a coalition led by Congress. It is largely for this reason that – just as in the European elections – the Right has won. BJP has gained as many as 282 seats in the 545-seat national parliament, i.e., 166 more seats than five years ago. Congress, in contrast, has had its worst-ever tally and managed to hold on to only 44 of the 206 seats it had won in 2009. The voters have also shown yellow or red cards to Congress’ regional allies: both the members of the UPA (e.g. National Congress Party in Maharashtra) and other supporting parties outside the alliance, especially two from Uttar Pradesh, India’s most populous state, with almost 195 million inhabitants: the BSP party, led by that state’s former woman chief minister Mayawati, and the Samajwadi party, which has been in power there for two years. In the lower house (Lok Sabha) of the national parliament, the centre-left coalition will only have 56 seats, whereas the centre-right National Democratic Alliance (NDA) – led by the BJP and presently made up of 29 parties – as many as 336.

TWO of the largest regional parties, both led by women, remain strong: Trinamool (AITC) led by Mamata Banerjee in West Bengal (it won 34 seats) and AIADMK led by J. Jayalalithaa

## INDIA'S PARLIAMENT - LOWER HOUSE (LOKH SABHA) AFTER THE 2014 ELECTIONS



**National Democratic Alliance (NDA)**



- Bharatiya Janata Party (BJP)
- Other

**United Progressive Alliance (UPA)**



- Indian National Congress
- Other

**Other parties**

(including two seats reserved for Anglo-Indians)



The BJP won 282 out of 543 elective seats, and the National Democratic Alliance (NDA) that BJP is the leader of, as many as 336. In contrast, the Indian National Congress, which has governed until now, won only 44 seats, and its coalition (the United Progressive Alliance), only 56.

## **BJP (Bharatiya Janata Party)**

– the Indian People’s Party  
– was founded in 1980 as an opposition to the Indian National Congress, which had fought against the British for India’s independence since 1883, and had a monopoly on power in India after independence was achieved. Until these elections, the BJP had managed to wrest power from the INC only once – in 1999-2004. In this years’ elections, it won its greatest victory in its history – it won 282 seats out of 543 elective seats in parliament. This gave it a majority allowing it to govern single-handedly, even without the regional parties that support it within the framework of the National Democratic Alliance (NDA).

in Tamil Nadu (37 seats). Together, the two parties have more seats than the UPA, which means that their political alliances will be of key significance for the opposition. The Common Man Party (Aam Aadmi Party – AAP), led by Arvind Kejriwal, made its national foray in the elections, and could have been a dark horse after its resounding debut in last December’s election in Delhi, a state of 19 million inhabitants and the location of the national capital, but only won four seats in the national parliament, which means that it won’t play any key role there. The political jigsaw puzzle is completed by 78 seats divided among 10 other parties of various ideological stripes, which will enter into ad-hoc alliances with the main players. There are 61 women, only 22 Muslims and as many as 449 millionaires in the new parliament. Nearly half the deputies are over 54.

The defeat of the Indian National Congress is compared with the downfall of the Roman Empire by some commentators, who also predict the undoing of the dynastic democracy put in place by the Nehru-Gandhi clan. This, however, doesn’t seem likely because Congress leader Sonia Gandhi was re-elected chairperson of the Congress Parliamentary Party despite the spectacular electoral setback. Rahul Gandhi, the Vice-president of the Party and Sonia’s son, had led the election campaign and offered to resign but this was not accepted. In light of Rahul’s poor performance, Sonia’s daughter Priyanka,



who gained wide publicity while managing her mother's and brother's campaign and who is compared by some commentators to her grandmother Indira Gandhi, is being urged to play a more active role in politics.

**Narendra** Modi, India's new prime minister, has governed the prosperous state of Gujarat (almost 60 million inhabitants) so efficiently for the past 12 years that he is said to have found it wooden and has left it made of stone. He brought investment, simplified procedures, limited corruption and tripled the budget. Gujarat's growth rate was twice that of the rest of India, and its GDP grew even as it fell in India as a whole (from 10 per cent in 2011 to 5 per cent last year). Modi, who comes from a poor family of the so-called Backward Castes, is the son of a tea stall owner. He was also an ardent activist of the RSS Hindu movement. He is single (he left his wife after three years of marriage), lives rather modestly, and has devoted himself entirely to public affairs. Modi's achievements in his native state and his personal attitude and charisma have won over many people.

### The goal of development, jobs and good governance

The Union of India is a socio-political time bomb and a melting pot of various trends. It is a pulsating and dynamic multi-lingual and multi-cultural society that is divided into castes, has

never produced a revolution, is still feudal and, at the same time, struggles with 21st-century challenges that inherently come with globalisation, computerisation and urbanisation. After 67 years of independence, the subcontinent suffers from a failure of governance. Ordinary citizens suffer most from high inflation (about 10 per cent per annum), which entails a higher cost of food, among other things, but also from the rampant bureaucracy that hampers economic activity and the pervasive corruption that impoverishes the entire country. Overregulation and the excessive number of state functionaries (some estimate that about 40 million of those people should be laid off) lead in turn to a sprawling gray zone – about half the money presently in circulation in India is of unknown origin.

Such are the challenges facing the new administration. Narendra Modi ran on a simple platform: development, jobs and good governance. His party attaches great importance to rural areas, because that is where half of India's population still lives, where poverty is concentrated (350 million Indians still live on less than 1 USD per day), where there are no sewers, electricity, access to education or medical care. Young people are also important for Modi – over 70 per cent of Indians are under 35, and the average age is expected to fall to 29 in 2020, when India will be the world's youngest nation. Over 100 million people voted for the first time in their life in the last elections.

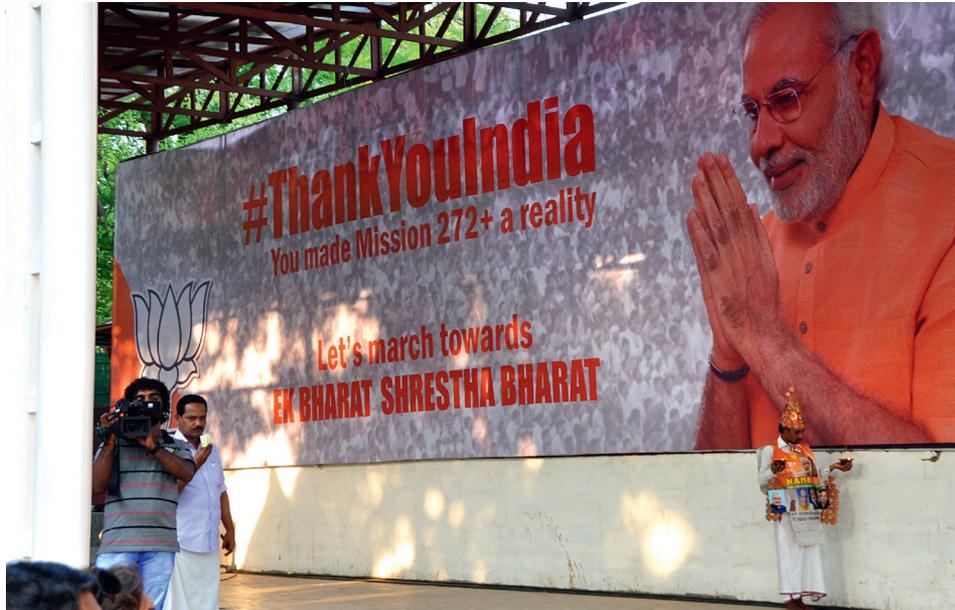
“ There is something in this soil that makes India special. History is full of examples of how our land has shown the way to the world and today once again, our destined role of a Jagad Guru calls us. Let us rise to the occasion and create a strong, developed and inclusive India that will show the way to the world. ”

Narendra Modi

Modi’s electoral campaign is a masterpiece of political marketing that could inspire politicians on other continents, including Europe. BJP has chosen to stress the image of the party leader, to limit the number of issues raised in the public debate, to spur dialogue with citizens and to include them in the electoral campaign, to make wide use of new media and modern communication techniques and, at the same time, to establish a direct and animated contacts with voters. Modi used three terms to define his campaign: ‘extensive, innovative, satisfying’. In 8 months, he held 440 electoral rallies, each of which drew crowds of people, he visited over 4,000 localities, and his volunteers distributed flyers to millions of Indian homes. The BJP also used social media (Modi uses email, has a Facebook page and a Twitter feed followed by over 4.1 million people), mobile phones (SMS and MMS messaging) and, for the first time in the world, special screens producing a 3D image of the leader at rallies. A special portal, India272+ ([www.india272.com](http://www.india272.com)), edited by volunteers, was also set up. ‘All one had to do was log in and

begin work either online or by participating in the onground activities’ – Modi summed up. The BJP’s electoral success is due not only to the use of new communication channels, but also to the innovative and interactive manner in which they were used to mobilise voters to act. Modi’s supporters not only read and heard him, but were also able to think up slogans themselves on WhatsApp and create infographics, which they then sent to friends.

The 63-year old Modi turned out a more attractive leader for the young than the 43-year old heir of a political dynasty, Rahul Gandhi. He won because, among other reasons, he was credible and had achieved things on the political and administrative front. ‘People are tired of false promises, corruption and the same old tape-recorded messages ridden with dynastic references only to hide one’s own failure. They want a better tomorrow.’ – claims the new prime minister. BJP’s message, stressing that economic growth and creating jobs are most important (the departing President of the European



Commission, José Manuel Barroso, is stressing the same priorities in the European context, by the way) seemed more convincing to voters than Congress' distribution of subsidies and food. Indians recognised that enterprise and activeness on the part of citizens is the right path leading to economic growth and a growth rate of almost 10 per cent.

## Great hopes

Several months before the government change long predicted by the polls took place in India, investors bought Indian debt securities worth 16 billion USD, Bombay stock exchange index rose by 22 per cent and the Rupee appreciated. The electoral result gives the new prime minister a strong mandate to carry out reforms.

*Thank you India.*

*You made Mission 272+ a reality.*

BJP Headquarters in New Delhi. Narendra Modi on a billboard sums up the electoral results (any party winning 272 or more seats in parliament has a majority).



The expectations he is facing are enormous and comparable to the euphoria associated with Barack Obama's first electoral victory in the United States.

The example of the American president, however, also indicates how easy it is to squander such capital. The wave of disappointment may come fast, the more so as the reforms in India postulated by the experts and the media (liberalisation of trade, lowering the deficit) will entail political costs of whose magnitude the public is still unaware. In addition, Congress and the opposition parties are already uniting against the BJP, which will take advantage of the new administration's every weakness. Modi will also not find it easy to work with the leaders of the strong regional parties, which opportunistically pursue their own interests and seek to strengthen their political separateness and to extend their influence nationwide, or with the opposition parties in the upper house of the parliament (Rajya Sabha), which can block the legislation process and where the BJP doesn't have majority.

The priorities mentioned in the BJP's electoral manifesto include expanding infrastructure (especially roads, electrical power grids and sewer lines); restraining the rising cost of food; fighting corruption; creating jobs and strengthening entrepreneurship; improving the position of women ('the nation builders') through, among other things, a 33-per-cent quota for women in

the national and regional parliaments; reducing social inequality and promoting equal opportunities for minorities; improving the situation of border areas (especially in Kashmir and in the north-east of the country); meeting the expectations of the new middle class; introducing the principle of zero tolerance for terrorism; financial support of the elderly and the handicapped; greater growth opportunities for youth; greater access to health care, reducing its cost and increasing its quality; simplifying taxation, increasing agricultural productivity; modernising industry; expansion of roads in rural areas; protecting culture and the national heritage; and institutional reforms, especially by the introduction of anti-corruption laws. All these electoral promises can be summed up in a quite simple programme: liberalisation of the economy, limiting bureaucracy, improving infrastructure (1 billion USD of investment in the next three years), universal access to basic public services (water, electricity, education and health care) and pulling people out of poverty.

In the economic sphere, the greatest challenge is growth. After a decade of incredible growth, India is not going through a recession, but a periodic slowdown that is typical for developing countries. But India's economy needs new impulses. Half of it operates outside the structures of the state, i.e., outside any legal or fiscal framework, so strengthening institutions is essential. The Indian financial system, in turn,



is of a hybrid nature – it has traits proper to systems in developed countries and in developing ones, at the same time, not being sufficiently integrated with the world system – and the government has no clear vision of how to remedy this situation. Moreover, India’s central bank is not independent. India’s financial system thus needs deregulation. Also, India needs to work out regulatory capabilities and move to bank transfers, as many transactions continue to be done in cash, i.e., outside the financial system.

In the social sphere, the greatest challenge is work – people need to have employment prospects and the country’s human capital needs to be made more effective. Maintaining national unity and expanding the middle class, also among Muslims, will be of key significance,

### May 26, New Delhi.

BJP supporters celebrate electoral victory and the assumption of post of the prime minister by NAMO, as Modi is called (from the two first letters of his name and surname). On the saffron (the BJP colours) billboards, Modi’s head is adorned with a flower, whose petals show the symbols of India’s five religions: Islam, Sikhism, Hinduism, Christianity and Jainism, stress that the BJP is not the party of only one religion.



as rising prosperity and consumption can effectively prevent internal conflicts. Ensuring the efficient functioning of public institutions, especially in education and the health service, is also an important task. Today, even the poorest Indians refuse to send their children to state schools because only one third of the teachers can actually teach. At the same time, people still have high confidence in some state institutions, such as the electoral commission, the courts, the army and local or state authorities.

### Set an example and draw the world

The new prime minister believes that the basis for a country's strong position in international relations is a healthy economy and orderly internal affairs. 'We have to put our own house in order so that the world is attracted to us,' he said. Nonetheless, one can assume that, under the new administration, India is going to show considerable international ambitions. Modi, after all, wishes to create a 'strong, developed and inclusive India that actively engages with the global community'. For this purpose, he intends, among other things, to limit the number of people in government (he appointed only 45 ministers, while in the previous cabinet there were as many as 79) and to improve governance, in keeping with the slogan 'less government, more governance'.

At a time of instability, multi-polarity and growing inter-dependency, the West truly needs

a ready, well-organised and managed India. The more so as the role of Japan and Europe will decline, if only for demographic reasons. India, as the world's youngest and most populous country in the nearest future and, at the same time, its largest democracy, can restore some balance to the emerging US-China rivalry, which is bound to grow more intense over the next few decades. Most probably Russia will grow closer to China (Putin's recent visit in that country seems indicative of this), while India will side with the United States, even if taking a clear stand may prove rather difficult for New Delhi, given its many common interests with Russia and its good relations in the past with the USSR, as well as the necessity to maintain good relations with China, with whom India still has unresolved border disputes.

Improved relations within the framework of the South Asian Association for Regional Cooperation (SAARC) can be expected throughout the region, which is shown by the presence of dignitaries from all of the organisation's members at Modi's inauguration. The Union of India doesn't want to be seen only as a regional power however, and for this reason, it will strive to reach out beyond south Asia. SAARC countries will most certainly pay greater attention to the basin of the Indian Ocean – historically, the area of Indian civilisation's influence – from Indonesia to Africa. In searching for models of peaceful co-existence with neighbours, they also



look towards the European Union. ‘Why are India and Pakistan ‘living like the divided Korea?’ tweeted Maryam Nawaz Sharif, the daughter of Pakistan’s prime minister on 24 May 2014. ‘Why can’t they live like United Europe?’.

Modi’s government, in which a woman (Sushma Swaraj) has become foreign affairs minister, will seek to improve ties with Europe and the entire West. It’s important for the image of the BJP and that of the prime minister himself, because the United States and certain European countries refused to issue him a visa until recently on account of his alleged acquiescence to the murder of Muslims in Gujarat in 2002. Economic issues are particularly important in relations between the two unions, because Europe is India’s first trading partner, but for Europe, India is only 10th on the list. The volume of trade between the two unions in 2003-2013 doubled and reached 72.7 billion EUR, but this doesn’t exhaust the potential of both economies (the EU’s yearly trade with China amounts to as much as 428 billion EUR). The EU-Indian negotiations on a free-trade agreement, which began in 2007, have come to a standstill, but Modi, who is an economic liberal, is expected to push the negotiations forward, something that could lead to the creation of an enormous market of over 1.7 billion consumers. This is a tempting prospect for Europe, because the fast-growing Indian middle class, 200 million people today, is an excellent market for European

goods. Western business, including large supermarket chains, are expecting India’s new prime minister to remove barriers put up by the Congress and will give foreign investors access to India’s retail market. In addition, India – with its 153,000 millionaires and 69 billionaires – is an excellent market for Europe’s luxury goods.

AS early as 2004, the European Commission has proposed to India a project of ‘ambitious partnership’, to serve as the basis for greater cooperation on issues including intellectual property rights, trade protection instruments, technical trade barriers, sanitation and cooperative ventures. The subject of international security and the defense industry are also important in Euro-Indian relations, especially as India is the world’s largest importer of arms. India’s desire to keep modernising its armed forces entails lucrative orders for European companies. Similar opportunities exist for investments in infrastructure, environmental protection, the development of urban areas, as well as in agricultural technology, the mining

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**100** million young citizens

**went to the polls for the first time in this years’ Indian elections. In order to win them over, the victorious party made wide use of new media and modern communication techniques.**

## THE 2014 PARLIAMENTARY ELECTIONS IN INDIA AND IN THE EU

	India	EU
Number of eligible voters	<b>814.5 million</b>	<b>400 million</b>
Number of first-time voters	<b>100 million</b>	<b>40 million</b>
Duration of the elections	<b>10 electoral days spread over a period of over 1 month (7 April-12 May)</b>	<b>1 or 2 electoral days in each country over 4 days (22-25 May)</b>
Voter turnout	<b>66.4 per cent (551 million)</b>	<b>43.1 per cent (172 million)</b>
Number of members elected	<b>543 (there is a total of 545 seats, including 2 reserved for Anglo-Indians)</b>	<b>751</b>

sector, education, consulting, and training projects for the public administration.

### Inspirations from Indian democracy

The Indians deeply believe in the strength and effectiveness of their democracy, and this year's elections only confirm this. Modi is a living proof that a tea seller from a poor family can become prime minister despite the political dynasties, feudalism and the ongoing division of Indian society into castes. He symbolises the Indian version of the American Dream of a rags to riches story. Despite the strong personality of the new prime minister, whom many accuse of harbouring dictatorial impulses, India will thus

clearly stress democratic values in international relations, especially in relation to China, its most powerful neighbour.

In the eyes of the Indians, China is an empire that has been centralised for centuries, and

# 66.4 per cent

**was the turnout in the Indian elections, while in the EU the average turnout was a mere 43 per cent (the highest turnout, 90 per cent, was observed in Belgium and Luxembourg, where voting is compulsory, the lowest, 13 per cent, in Slovakia).**



governed by the strong hand of the communist party, which is de facto above the law, while India is the world's largest democracy and stand for the rule of law. China has a problem with their non-democratic government, India with governing. China has powerful state structures, but a weak civic society, while in India – to the contrary; the moment has arrived to level such disproportions. Modi intends to build an efficient state without weakening the population's civic spirit of which he himself is an example. He wishes to restore citizens' sense of respect and trust towards the state. Of key importance to this approach will be the ability to unite Indians around the notion of a single fatherland (Bharat) and overcome religious and ethnic divisions in keeping with the slogan 'Unity in diversity,' also used by the EU, incidentally.

**Theoretically**, such an approach should be familiar for the Indian mind, which is shaped by Hindu polytheism and respect for all religions, but in reality multi-denominational India is a country of constant tensions between Muslims and Hindus, and also Christians. Given Modi's fervent religiousness, the accusations levelled against him for favouring Hindus as well as his conservatism, this makes certain commentators uneasy. With this in mind, the new prime minister sent a number of clear signals at the beginning of his tenure: he invited Pakistan's prime minister, among other leaders, to his inauguration, and took a number of Muslims and women

into his cabinet (25 per cent of the new cabinet). The new government has fewer women than the former one, but they have become heads of more important ministries.

**Over** the next key years for the Union of India and the European Union, the key priorities, despite all the differences, will be the same: growth, jobs, good governance. Both unions will be a place where two main political currents will compete – that of the secular left and the conservative and religious right. In both, following the last elections, extreme forces have grown in strength. Indian democracy, which combines Western patterns with local conditions, is an interesting model for post-colonial and post-communist states, but analysing it may also be interesting for a united Europe. The meanders of the Indian political stage, oscillating between the central parliament and strong state groups, between a centre dominated by two large blocs (centre-left and centre-right) and the influence of strong regional parties of a different profile with which continual building of coalitions is necessary, could inspire European leaders to develop a new public sphere and political representation, without which Europe will never create a true union. •

This text makes use of fragments of speeches given by Narendra Modi from 19 October 2013 and 10 May 2014, as well as of the BJP electoral manifesto and pronouncements of the party's activists.

The CIR is an independent, non-governmental analytical centre concerned with Polish foreign policy and the most important issues of international relations. The foundation was established in 1996. The Centre conducts research and education activities, issues publications and organises conferences and meetings, participates in international projects in cooperation with similar institutions in several countries. The foundation is a forum of debate and exchange of ideas on foreign policy, relations between states, and global challenges. The activities of the CIR is addressed above all to local government officials and businessmen, but also to the central administration, politicians, diplomats, political scientists and the media. In 2009, the CIR was chosen as one of the best think-tanks in Central and Eastern Europe in the study entitled *The Leading Public Policy Research Organizations In The World* conducted by the University of Pennsylvania).

