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## The Congress Comeback: Unexpected Results of the Indian Election

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Manmohan Singh has returned to the prime ministership at the head of a new government with a robust coalition. His party, the Indian National Congress, improved its showing in many parts of the country; their opponents in the Bharatiya Janata Party (BJP), internally divided and unimpressively led, lost seats nearly everywhere they contested. Look for a cautious approach to economic reform and Pakistan policy. In relations with the United States, the absence of the Communist parties from the governing majority should open the way to finishing the unfinished business of implementing the nuclear deal, and beyond that to expanding the new U.S.-India partnership.

**A decisive victory:** On May 13, 417 million ballots were counted. The results were a surprise: the Congress Party won decisively. Its own 206 seats plus another 58 won by members of its outgoing coalition brought it close to a majority of the 543 seats in the Lok Sabha, or lower house of India's parliament. By the time Manmohan Singh was sworn in as prime minister nine days later, he had notched up added support from a few regional parties. His new government enjoys a strong majority, which no single party can undermine by itself. This makes the current coalition much more resilient than the outgoing coalition. Moreover, the new government does not depend on support from the Communists and other leftist parties, which had resisted economic reform and tried to bring down the government over India's relationship with the United States.

The Congress, the heart of the new government, not only increased its seats in parliament by one-third (from 149 to 206), but increased its percentage of the vote from 26.5 to 28.5. These improved results came from many different parts of the country. In this election, far more than in the previous one, Congress's success is due to an improved party performance and not simply to better coalition building.

**The parties:** The Congress's main rival, the Bharatiya Janata Party (BJP), won only 116 seats, its lowest number in two decades. It lost seats in every state where it contested, with the notable exception of Karnataka, the only southern state where the BJP has any base. Internal dissension in the BJP damaged it badly. However, there are some strong and polarizing personalities in the next generation of BJP leaders, notably the controversial Gujarat chief minister, Narendra Modi. The BJP is down, but not out.

The leftist group, including the Communists, fared worse. They won only 24 seats. In 2004, they had won a record 62 seats. In West Bengal, where the Communist Party/Marxist has had undisputed dominance for more than three decades, the CPM was reduced to just over one-third of the seats. The winner in that local contest was the Trinamul Congress, led by Mamata Banerjee, best known for her demonstrations against a Tata Motors factory in West Bengal's Singur district. Tata eventually chose to take its business elsewhere, depriving the region of economic development but saving farmland.

In Uttar Pradesh (UP), India's largest state with 80 seats, the Bahujan Samaj Party (BSP), dedicated to the betterment of dalits or India's former untouchables and led by the state's fiery chief minister, Kumari Mayawati, did unexpectedly badly. It won only 21 seats, not enough to give Mayawati a king-making role in the post-election coalition negotiations. The BSP did, however, succeed in winning a handful of seats outside UP, so Mayawati could still emerge as a leader beyond her state.

Other regional parties fared better, meeting and beating expectations. The Janata Dal United (JDU) of Bihar won 20 of the state's 40 Lok Sabha seats. The outgoing Biju Janata Dal government delivered results in the difficult-to-govern state of Orissa. Reversing an anti-incumbent trend in Indian politics, they were awarded for their previous efforts with 14 out of the 21 Lok Sabha seats in this national election. Orissa also held state elections, in which the BJD gained an absolute majority, by winning 103 seats in the 147-member assembly.

The poor results for the BJP and BSP suggest that Indian voters are skeptical about appeals to caste and communal identity. Beyond that, however, it is difficult to draw sweeping conclusions about political trends. The Congress slightly increased its vote

share, and the BJP slightly decreased its percentage, but the two taken together continued the decades-long slide. Regional parties, most of them represented in only one state, continue their gradual increase. The widely touted divide between older and younger voters does not seem to have made much of a difference. And the surprise results once again demonstrated the folly of trying to predict Indian elections based on national trends. The results have to be looked at state by state, and sometimes precinct by precinct.

**The new government:** The new government includes 40 full ministers and 39 ministers of state. A number of familiar faces are back, though not necessarily in their old jobs. Former foreign minister and defense minister Pranab Mukherjee will be finance minister, a job this veteran Bengali politician held in earlier Congress governments. A.K. Antony remains at the Ministry of Defence. P. Chidambaram, widely regarded as one of the most effective politicians and administrators in the government, retains the Home Ministry, responsible for internal security. Kamal Nath will shift from Commerce (where he and U.S. negotiators had a cordial but difficult relationship on trade issues) to Road Transport. Anand Sharma, previously a minister of state for foreign affairs, will take over the Commerce portfolio. Murli Deora retains the Petroleum and Natural Gas Ministry. New faces include Mamata Banerjee (Railways).

Perhaps the most notable absence is Rahul Gandhi. Previously written off as an uncharismatic dilettante, the fourth-generation scion of the Nehru-Gandhi dynasty came into his own in this election. He campaigned relentlessly for Congress, attending an average of four campaign rallies a day for more than a month. He is credited with handpicking many Congress candidates, most of them young and well educated.

His contribution to the campaign might have earned him either the prime ministership or a plum position in the cabinet. So far, he has declined both. Renouncing personal power is a powerful political gesture in India. Borrowing from the tactics of his mother, Rahul has employed this gesture expertly.

Sonia Gandhi is expected to remain the power behind the throne, the decisive voice on the party's political decisions and the awarding of political plums, and an essential person to consult on anything controversial. In the early days of Manmohan Singh's first government, there was much speculation about how politicians were trying to manipulate two centers of power. The two forged a cordial relationship; it is likely to continue in the same vein. Rahul may well become part of this political consultation process and may add to the sense that the Gandhi family tends to tilt policies toward benefits for rural India.

**Economic policy:** Congress will be pulled in different directions on economic policy. Manmohan Singh and his principal economic colleague, Montek Ahluwalia—not in the cabinet but “at cabinet rank”—will want to advance their reform agenda. At the same time, the party and its leaders will want to continue their efforts to do more for India's rural millions. Congress won this election partly because of its lavish welfare schemes for India's rural voters. Last year, Congress enacted a massive debt write-off for some 43 million farmers. The price tag was equivalent to 1.6 percent of India's GDP. Another signature policy was the National Rural Employment Guarantee scheme.

Kapil Sibal, a minister in the new government, demonstrated Congress's competing priorities most clearly. In a television interview, he was quoted as saying he expected the new administration to “send a signal” that it would push forward the reforms that been stalled in the past five years. However, he was also quoted as saying that Congress would make no “sudden shift” in policies. He argued that it would be unrealistic to expect labor law reform from a country with no social safety net. He went on to reason that, in the face of a global financial crisis, greater openness in the banking and financial sectors, it would be too risky.

The result of these competing pressures is likely to be a cautious approach to reform, without the political brakes that the previous government had to face because of its alliance with the leftists, but nonetheless treading carefully. In addressing these diverging demands, it is clear that Congress will moderate its reforms to maintain its popularity among India's impoverished and rural voters. Economic liberalizing measures pay off only in the medium and long term; in the short term, they win few votes in India. On the first day of trading after the Congress victory was declared, the Indian stock market jumped 17 percent. Unfortunately only 0.7 percent of Indian households have any stake in these shares.

**Foreign policy: Pakistan...** Pakistan sparked little controversy in the election campaign. Following the November 2008 attacks on Mumbai, all parties were taking a hard line, so there was little to talk about. As a result, the new government carries relatively little baggage from the election campaign on Pakistan policy. It is likely, broadly speaking, to continue its previous policies. In recent months, Indian officials have complained about increased infiltration and border incidents along the Line of Control in Kashmir. The previous Congress government acted cautiously and with restraint in dealing with each incident. The Indian government also demonstrated restraint after the Mumbai attacks. The election gives the new government as free a hand as it could expect in resuming a dialogue with Pakistan, but it is likely to proceed cautiously.

**...and the United States:** The return of a stronger Congress Party-led coalition creates an opportunity for the Obama administration to forge a more ambitious agenda with India. The Indian elections represented a period of diplomatic stasis

between the two nations. Both governments now have strong mandates giving them the space to cooperate more freely with each other. Now that Congress is no longer allied with India's Communists, it can pursue a deeper relationship with the United States without facing ideological baggage. They now need to finish the implementation of the civil nuclear agreement and begin a serious dialogue on the global issues that concern them; first the financial crisis, and in the longer term the more difficult issues of trade, climate change, and the future of nuclear nonproliferation.

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