

INDIA 2014: THE ANNIHILATION OF THE CONGRESS PARTY AND THE
BEGINNING OF THE MODI ERA¹

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1. *Introduction*

In India, the dominant event in the year 2014 was the 16th general election and its results, namely the resounding victory of the Narendra Modi-led BJP (Bharatiya Janata Party) and the catastrophic defeat of the Indian National Congress (hereafter, the Congress). The Congress, which headed the United Progressive Alliance (UPA), in power during the previous two legislatures, crashed to the worst electoral defeat in its whole history, tumbling from 206 seats to 44; on its part, the BJP was able to conquer the absolute majority of the Lok Sabha seats. This happened exactly 30 years since any Indian party had been able to do the same.

Although the BJP victory and the Congress defeat did not arrive unexpectedly, what was unforeseen and surprising was the magnitude of both the BJP victory and the Congress defeat. The dominant party system – which historians, political scientists, politicians and analysts had considered gone for good – appeared to be back with a vengeance. Although Narendra Modi put together a coalition government, the BJP, thanks to its absolute majority in the Lok Sabha, was in a position of absolute strength vis-à-vis both its allies and the parliamentary opposition. The latter appeared weak

¹ The present chapter is the outcome of a joint research effort, any single part of it has been jointly discussed by the two authors before being written, and revised by both afterwards. However the final draft of parts 1, 2, 3 (with the exception of parts 3.8, 3.8.1 and 3.8.2, but including part 3.9), 6 and 8 has been written by Michelguglielmo Torri and the final draft of parts 3.8, 3.8.1, 3.8.2, 4, 5 and 7 by Diego Maiorano.

and divided. In fact, the number of seats of the main opposition party, the Congress, at 44, was so low as to prevent it from being acknowledged as leader of the Opposition. Equally, or maybe more, remarkable was the loss of power of the regional parties, which, since the mid 1990s, had wielded increasing power at the all-India level by playing the role of indispensable allies to whichever party was in power at the centre. Although maintaining practically the same amount of popular vote and Lok Sabha seats as in the previous general election, the local parties were consigned to a situation of virtual irrelevance as the BJP, having conquered the absolute majority of the Lok Sabha's seats, was now in a position to dispense with their help.

This being the situation, the present article is mainly focussed on the general election, the causes of its (largely unexpected) results and its consequences, namely the coming into power of the Narendra Modi-headed new government and its policies. However, as a necessary preamble to the treatment of the main theme, the short-lived government of the Aam Aadmi Party (AAP) in Delhi will be examined. In fact, at the end of the year preceding the 2014 general election, the AAP's unexpected positive result in the local Delhi elections, held in December 2013, and the successive formation of an AAP minority government (with the outside support of the Congress) had appeared to many as a potential turning point in Indian politics. Indeed, the Delhi events seemed to have opened the possibility that the AAP could become a key contestant in the approaching general election, turning it into a triangular contest between the BJP, Congress and AAP, and, at the end of the day, being a potential danger less for the Congress than for the BJP.²

In fact, although the Arvind Kejriwal-led AAP had been born from the Hazare-led anti-corruption movement – namely a movement which had mainly been aimed against the Congress – and although the AAP had kept all the anti-Congress thrust of its parent movement, it is a fact that its potential rise as a key contestant at the all-India level could attract those numerous voters who, although disillusioned with the Congress, would have some qualms in voting for a rightist and anti-secular party like the BJP. This did not happen for several reasons; but possibly the most important among them was the AAP's record when in government and, even more, its abrupt decision to resign.

2. The short-lived Aam Aadmi Party government in Delhi

At the end of 2013, the elections in the Delhi Union Territory had seen unexpected good results for the recently launched Aam Aadmi Party (AAP), which, pushing aside the Congress Party, came second, just behind

² Michelguglielmo Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', *Asia Maior* 2013, pp. 133-38.

the BJP. In fact, in the Delhi Vidhan Sabha (Legislative Assembly) the BJP had 32 seats; the AAP 28, and the Congress, formerly the party in power, just eight.

These results determined a stalemate, as neither of the two major parties was in the position to form a government by itself. After much debate within the Congress – whose eight seats could still play a strategic role in the Delhi Assembly – and after considerable hesitation on the part of the AAP, on 23 December 2013 the latter eventually accepted the Congress' support in order to form a government. As a consequence, the AAP government – headed by Arvind Kejriwal, and with the outside support of Congress – was sworn in on 28 December 2013.³

In accepting the government of Delhi, the AAP in general and their leader in particular were consciously running a political risk which was at the same time very high, but, in a way, unavoidable. Not accepting the challenge to form the government in Delhi would indeed be tantamount to admitting the AAP's inability to translate its message of integrity, transparency and accountability into an effective policy aimed at solving those ills – corruption and bad administration – which Kejriwal's party had so successfully denounced. On the other hand, for the AAP the act of governing was beset with difficulties; these were partly related to the AAP's short history, partly to the complex composition of its social following, and, partly, to the fact that the Delhi government, being a Union Territory government, had much less power and autonomy than a state government.

Having been launched as recently as 26 November 2012, the AAP had not yet had the time to think out any comprehensive policy to tackle and try to solve the many problems besetting the country in general and Delhi in particular. The lack of a well-defined comprehensive policy, however, was not only the result of the AAP's recent creation, but also depended on the inter-class and inter-caste nature of its social basis. In fact, an inter-class and inter-caste alliance against the common enemy represented by the existent corrupt political system was a feat comparatively easy to accomplish; on the contrary, it was noticeably more difficult to mediate among different class and caste interests, devising a set of effective policies which could satisfy either all or most of the social segments backing the AAP. Last but not least, as noted above, the Delhi government, being a Union Territory government, had less power than the state governments. By itself, in a situation in which the Union government and the Delhi government were ruled by different political combines, the Delhi government's ability to act and implement its policies had an effective limit in the Union government's political will.

All these handicaps contribute to explain the dismal performance, the short life (just 49 days) and final failure of a party not devoid of intellectual resources⁴ and a leader who, before entering grass-root politics, had

³ *Ibid.*

⁴ One of the AAP leaders was Yogendra Yadav, generally considered, before he en-

a solid educational background as an engineer and past experience as a civil servant. In fact, the AAP government started to operate energetically, and, during its first weeks in office, kept a part of its electoral promises by slashing power and water prices. Moreover, the AAP encouraged the residents of Delhi to use their mobile phones to record government workers demanding bribes, and report them through a hotline. This policy resulted in hundreds of officials, who were suspected of corruption, being moved out of key jobs, and – according to some reports – a conspicuous decline of corrupt practices in Delhi.⁵

However, as soon as the party had to confront different and more complex issues, difficulties started to arise. A detailed analysis of the AAP government activities would be too long to perform here; it suffices to notice that some of the AAP government's decisions did disappoint one or another of the social sectors supporting the party, whereas other decisions were plainly wrong, possibly the result of lack of experience.⁶ The situation was made more difficult by the fact that the Delhi government, being a Union Territory government, did not have any control over the Delhi police force, which was subject to the Union Home Ministry. The result was that tensions soon developed between the chief minister and the head of the Delhi police. As Kejriwal was to remember: «The first move I made when I was Chief Minister was to summon the Police Commissioner and told him firmly that I would hold the police accountable for incidents of rape. When three such incidents took place, I went on a protest.»⁷

Of course, the spectacle of a chief minister demonstrating in the streets was something unusual and shocking. Although some kind of *modus vivendi* between the chief minister and the Delhi police commissioner was later found, to many, Arvind Kejriwal turned from being Delhi's Chief Minister to being Delhi's Chief Protestor.⁸

These difficulties may explain Kejriwal's decision to up the ante, by pushing for the approval in the Delhi Assembly of two bills in line with the AAP's basic philosophy. These two laws were a Jan Lokpal Bill, namely an anti-corruption law which was stricter than the one approved the previous

tered politics, as one of India's most brilliant political scientists, well known at the international level. Other remarkable AAP followers were former RBS India CEO Meera Sanyal, former managing director of Idea Cellular Sanjeev Aga, the paediatrician and public health specialist Binayak Sen, noted environmental economist Aseem Srivastava, and leading economist and analyst Laveesh Bhandari. See: 'AAP forms panel to finalise economic policy', *The Economic Times*, 19 January 2014; 'After stunning debut, AAP scrambles to dispel doubts', *Reuters*, 31 January 2014.

⁵ 'After stunning debut, AAP scrambles to dispel doubts'.

⁶ For some introductory remarks on these problems, see 'AAP's identity crisis', *The Indian Express*, 28 January 2014.

⁷ 'Resigning as Delhi CM was a mistake, says Arvind Kejriwal', *Zeeneews*, 5 November 2014.

⁸ 'Kejriwal resignation: Failure or strategy?', *The Diplomat*, 19 February 2014.

December by the Union parliament, and a Swaraj Bill, which radically decentralized the government of Delhi, by conferring wide powers on the 2,720 mohallas (regions) in which the Union Territory was organized.⁹ Both bills, however, were opposed not only by the BJP but also by the Congress. The Swaraj Bill was criticized as too complex a piece of legislation, implying extensive changes in the existing laws, to be tabled in the Vidhan Sabha without a previous in-depth examination by the different parties. The Jan Lokpal bill, on the other hand, was opposed on technical grounds: according to a 2002 Executive Order, any piece of legislation implying financial expenditures had to be cleared in advance by the central government. Kejriwal, however, argued that the Executive Order was unconstitutional and he pressed for the discussion of the Jan Lokpal bill without any previous consent by the Union government. Moreover, on 9 February, Kejriwal made it clear in a NDTV television interview that, if the two laws were not passed, his government would resign.¹⁰ As if that was not enough, on 11 February, Kejriwal ordered the Delhi anti-corruption bureau to start an investigation against Mukesh Ambani, chairman of Reliance Industry Ltd and generally considered the richest businessman in India. Ambani was accused of having conspired with the incumbent Union oil and gas minister, M. Veerappa Moily, and former minister, Murli Deora, both eminent Congress politicians, to push up the price of the Reliance extracted Krishna-Godavari basin gas, by creating an artificial shortage.¹¹

All this caused the complete breakdown of the already difficult cooperation between the AAP and the Congress. The result was that, on 14 February, while the Vidhan Sabha «descended into uproar», the motion to introduce a vote on the Jan Lokpal bill was roundly defeated.¹² True to his word, Kejriwal immediately resigned, putting an end to the AAP government in Delhi.

According to many commentators, the AAP government's resignation had been a goal consciously pursued by Kejriwal. Unable to tackle Delhi's

⁹ The *Mohalla Sabhas* would be in charge of such disparate tasks as cleaning the streets, carrying out public vaccination and inoculation, issuing solvency certificates, preserving the local heritage, and promoting compassion towards animals. See 'AAP draft arms mohalla sabhas with sweeping powers', *The Indian Express*, 5 February 2014; 'AAP plans Swaraj ahead of Jan Lokpal, Cong says no way', *The Indian Express*, 11 February 2014; 'Swaraj Bill unlikely to be tabled this Assembly session', *The Indian Express*, 13 February 2014.

¹⁰ 'Kejriwal's threat creates Congress quandary', *The Wall Street Journal: India Real Time*, 10 February 2014.

¹¹ 'Arvind Kejriwal targets RIL's Mukesh Ambani, orders FIR on gas pricing', *Livemint*, 11 February 2014; 'Arvind Kejriwal rakes up K G Basin gas pricing, orders FIRs against Moily, Deora, Mukesh Ambani', *The Indian Express*, 11 February 2014.

¹² 'Chief Minister of Delhi resigns after 49 days, citing resistance to Antigraft Bill', *The New York Times*, 14 February 2014.

manifold problems and carry out effective policies to address them, he had preferred to go down fighting in favour of the anti-corruption bill. In doing this, Kejriwal's actual goal was to assume the high moral ground, presenting himself as a «martyr», the victim of an unholy and unprecedented Congress–BJP alliance, come together to defend Mukesh Ambani.¹³

In resigning, Kejriwal asked the Lieutenant Governor of Delhi for immediate new elections, which, no doubt, he expected to be held at the same time as the imminent general elections and which he was confident to win by gaining at least 50 of the 70 Delhi Vidhan Sabha seats. However, that did not happen, and, although the Vidhan Sabha was dissolved, the Delhi territory came under presidential rule, namely under the direct control of the Union government; unexpectedly for the AAP leadership, this was a situation bound to last up to the end of the year under review, and beyond. Meanwhile, many political initiatives taken by the AAP government were left unaccomplished, while others were overturned. At the end of the day, Kejriwal's decision backfired, discrediting the AAP.

As noted above, at the end of 2013, Kejriwal's party appeared positioned to play a key role in the coming general election, competing with the two all-India parties (the Congress and the BJP) and ready to play the spoiler particularly vis-à-vis the BJP. After the AAP resignation, that possibility rapidly waned. It is true that, according to some opinion polls, those hopes were already overblown at the end of January,¹⁴ mainly because of the AAP's lack of financial and organizational resources. However, while the AAP was in government and Kejriwal appeared active in the attempt to solve the Capital Territory's manifold problems, the possibility for the AAP to repeat the Delhi miracle of December 2013 at least in some of the main Indian cities was not to be discarded. But any hope of that came to an abrupt end with Kejriwal's resignation. Months later, AAP party leaders and Kejriwal himself conceded on several occasions that the AAP resignation had been a major political blunder.¹⁵

3. *The general election*

The period up to mid May of 2014 was dominated first by the electoral campaign and then by the voting. As has become customary, the voting itself was articulated in several phases in the different parts of India: the first was held on 7 April; the ninth and final one was held on 12 May; finally, the results were declared on 16 May.

¹³ This was claimed by Kejriwal himself in his resignation speech. See 'Full text: Kejriwal resignation speech to supporters', *The Political Indian*, 15 February 2014.

¹⁴ 'After stunning debut, AAP scrambles to dispel doubts'.

¹⁵ 'We made mistakes, admits a shocked AAP', *The Hindu*, 17 May 2014; 'I won't resign again: Arvind Kejriwal', *The Times of India*, 24 August 2014; 'Resigning as Delhi CM was a mistake'.

As usual, the Indian general election established a set of new records: the largest electorate ever in the history of the world (814.5 million people); the maximum number of voters who actually voted (540.7 million people); the highest percentage of voters who actually voted in the history of India (66.38%), the longest period of time during which the votes were cast (36 days); the maximum number of parties (484), the maximum number of candidates (8,251).

The electoral struggle saw the participation of two major political alliances and a number of other parties, among which the AAP, which went to the polls alone or, like the Communist parties, were part of a political alliance, the Left Front. The two major alliances were gathered around the only two parties which could be considered all-India parties, namely the centre-of-left Congress and the rightist BJP. The Congress headed the UPA (United Progressive Alliance), which had been in power during the two previous legislatures, and had as its campaign leader Rahul Gandhi. The BJP headed the NDA (National Democratic Alliance), and was led by Narendra Modi. Finally there were the parties which did not join any alliance; among those, on the eve of the elections, particularly strong looked the SP (Samajwadi Party), the BSP (Bahujan Samaj Party) – both rooted in the northern giant state of Uttar Pradesh –, the DMK (Dravida Munnetra Kazhagam) of Tamil Nadu, and the CPI-M (Communist Party of India – Marxist), the strongest of the Left Front parties, rooted in West Bengal, Kerala and Tripura.

Already during the electoral campaign and increasingly during the voting it had become clear that the BJP would emerge as the victor. However nobody was prepared for the dimension of the BJP's victory; significantly, still at the closing of the voting marathon and immediately before the results were made public, most polls indicated that the Narendra Modi-headed alliance would fall short of winning 272 of the 543 seats in the Lok Sabha.¹⁶ On the contrary, the BJP alone conquered 282 Lok Sabha seats, namely the absolute majority, whereas the whole NDA had 332 seats. On the other hand the Congress and its allies went down in a much more devastating defeat than anticipated: the Congress itself, suffering the worst defeat in its whole history – worse still than the historical debacle of 1977, at the end of the Emergency period – gained only 44 seats and its allies only 15 more, for a total of 59 seats.¹⁷

Details of the results are given in Tables 1 to 3. However, some of them must be stressed here. The BJP shot up from 116 seats to 282 and from 18.8% of the popular vote to 31%; on the other hand, the Congress crashed down from 208 seats to 44, and from 28.55% of the popular vote to 19.31%. This means that the distorting effect of the first-past-the-post electoral system, which is always strong in a plural and heterogeneous society like India,

¹⁶ 'India sets new record for voter turnout at over 66%', *NTDV*, 12 May 2014.

¹⁷ All data referring to the 2014 general election are based on those given in the web site of the Election Commission of India: <http://eci.nic.in/eci/eci.html>.

greatly favoured the BJP which, with 31% of the popular vote got a 51.93% share of the Lok Sabha elected seats,¹⁸ and as greatly hindered the Congress, which, with 19.31% of the popular vote obtained 8.10% of the share of the Lok Sabha elected seats. In fact, the Congress' share in the Lok Sabha seats was so limited that the «Grand Old Party» of India emerged from the 2014 general election without the constitutional requisites to be officially acknowledged as leader of the Opposition. Once this is said, the fact remains that the BJP's victory was as clear-cut and convincing as the Congress' defeat.

Table 1. Nationwide 2014 electoral results: NDA parties

Parties	Number of seats	Plus/minus compared with 2009	Popular vote	Plus/minus compared with 2009
BJP (Bharatiya Janata Party)	282	+166	31%	+12.20%
Shiv Sena [Maharashtra]	18	+7	1.85%	+0.30
TSP (Telugu Desam Party) [Andhra Pradesh & Telangana]	16	+10	2.55%	+0.04
Lok Janshakti Party [Bihar]	6	+6	0.41%	-0.04
Rashtriya Lok Samata Party [Bihar]	3	not present in 2009	0.19%	not present in 2009
Apna Dal [Uttar Pradesh]	2	+2	0.15%	+0.03
PMK (Pattali Makkal Katchi) [Tamil Nadu]	1	+1	0.33%	-0.14
Swabhimani Paksha [Maharashtra]	1	0	0.20%	+0.08
Naga People's Front [Nagaland]	1	0	0.18%	-0.02
National People's Party [Meghalaya]	1	not present in 2009	0.10%	not present in 2009
All India N.R. Congress [Puducherry]	1	not present in 2009	0.05%	not present in 2009
Other NDA parties (5)	0		0.89%	
Total	332			

Source: Election Commission of India (<http://eci.nic.in/eci/eci.html>)

¹⁸ In addition to the 543 elected members, the President of India has the constitutional power to nominate up to two members of the Anglo-Indian community if he thinks that that community is not adequately represented.

Table 2. Nationwide 2014 electoral results: UPA parties

Parties	Number of seats	Plus/minus compared with 2009	Popular vote	Plus/minus compared with 2009
Congress (Indian National Congress)	44	-162	19.31%	-9.24
Nationalist Congress Party [Maharashtra]	6	-3	1.56%	-0.58
Rashtriya Janata Dal [Bihar]	4	0	1.34%	+0.74
Jharkhand Mukti Morcha	2	0	0.30%	-0.10
Indian Union Muslim League [Kerala]	2	0	0.20%	-0.01
Kerala Congress	1	0	0.08%	-0.02
Other UPA parties (4)	0		0,32%	
Total	59		23.83%	
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)				

Table 3. Nationwide 2014 electoral results: non-NDA/non-UPA parties which gained at least one seat

Parties	Number of seats	Plus/minus compared with 2009	Popular vote	Plus/minus compared with 2009
AIADMK (All India Munnetra Kazhagam) [Tamil Nadu]	37	+28	3.27%	+1.60
Trinamool Congress [West Bengal]	34	+15	3.84%	+0.34
Biju Janata Dal [Odisha]	20	+6	1.7%	+0.12
CPI-M (Communist Party of India – Marxist)	9	+7	3.25%	-2.08
YSR Congress Party (Yuvajana, Shramika, Rythu Congress Party) [Andhra Pradesh and Telangana]	9	not present in 2009	2.5%	not present in 2009
Samajwadi Party [Uttar Pradesh]	5	-18	3,37%	-0.05
AAP (Aam Aadmi Party) [Punjab]	4	not present in 2009	2.05%	not present in 2009
IUDF (All India United Democratic Front) [Assam]	3	+2	0.42%	-0.10
J&KPDP (Jammu and Kashmir People's Democratic Party)	3	0	0,13%	+0.01
JD(U) (Janata Dal – United) [Bihar]	2	-18	1.1%	-0.44
JD(S) (Janata Dal – Secular) [Karnataka and Kerala]	2	-1	0.67%	-0.15
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)				

Another aspect worthy of highlight is the drastic decline in the political strength of the regional parties, namely those parties which are politically significant in only one of the Indian states.¹⁹ These parties became increasingly influential in the 1990s and 2000s, as the two all-India parties – the Congress and the BJP – could cobble together a majority at the centre only thanks to the support of a more or less wide number of regional parties. In 2014, in spite of the debacle of some of the major regional parties of the North – the SP and the BSP in Uttar Pradesh and

¹⁹ Both the CPI (Communist Party of India) and the CPI-M, can be considered part of this group although the former is politically significant in two of the Indian states (West Bengal and Kerala) and the latter in three (West Bengal, Kerala, and Tripura).

the Janata Dal (United) in Bihar – the regional parties obtained the same number of seats (212) and practically the same share of the popular vote (46.7% in 2009 and 46.6% in 2014) as in 2009.²⁰ However, the fact that the BJP succeeded in conquering the absolute majority of the Lok Sabha seats completely changed the terms of the political equation. Quite simply, the regional parties went from indispensable to superfluous in the survival of the Union government.

Finally, the results of the AAP must be taken into account. Kejriwal's party won only four seats, all of them in the Punjab, and a paltry 2.05% of the popular vote. At least for the time being, these results transformed the AAP into a (second-rate) regional party. It was a very disappointing outcome, particularly when compared with the rosy expectations of its leaders and many political analysts²¹ only a few months before.

3.1. *The electoral battle*

After the AAP government's resignation in Delhi, which suddenly deflated the hopes of Kejriwal's party and its supporters of playing a major role at the all-India level, the 2014 general election can be seen, although in a very simplified way, as a kind of duel to the finish, less between the NDA and the UPA than between the BJP and the Congress. As already noticed, it was a duel which ended up in a total victory of the former over the latter. However, an additional element must be stressed: the BJP won even in those states where it confronted other, and apparently quite strong, political adversaries, as was the case in Uttar Pradesh (UP) and Bihar; on the other hand, the Congress lost resoundingly even where it was not confronted by the BJP, as was the case, most notably, in Andhra Pradesh. Accordingly, the all-India BJP–Congress battle will be examined first, to be followed by the examination of the battles which were fought in UP and Bihar, where the BJP vanquished some of the strongest regional parties, and in Andhra Pradesh, where, although not confronted by the BJP, nevertheless the «Grand Old Party» bit the dust.

3.2. *The political battlefield*

In order to understand how the battle royal between the BJP and the Congress was fought and before describing the battle itself, three background elements must be examined: the first is how the political battlefield was delimited; the second is the nature of the opposing armies; the third is the strengths and weaknesses of the two opposing leaders.

²⁰ 'Everything you need to know about Lok Sabha Verdict 2014 explained in 40 charts', *Scroll.in*, 6 June 2014: 'The strength of regional parties'.

²¹ Among whom, alas!, the author of these lines.

The political battlefield can be seen as potentially delimited by the results, in the 2004-14 legislatures, of the UPA governments led by the Congress, and the results of the Modi-led BJP governments in Gujarat in 2001-14. Here, the term «potentially» is not employed by chance: during the electoral campaign, whereas the results of the Modi governments in Gujarat became a kind of reference paradigm, any discussion on the UPA governments' results was limited to the admittedly gross scandals which had become of public domain in the second half of the second UPA government and to the slowing down of the rate of growth and the persistence of a high price inflation, particularly of food prices, during the same period. In other words, the Congress party was unable to lay claim to the UPA governments' achievements since 2004, which were far from being insignificant, both at the economic level and from the standpoint of social justice.

In ten years of power, the UPA governments had pushed a policy of neoliberal reforms, counterbalanced by social policies aimed at protecting the weaker social strata and enlarging the space of democracy. The neoliberal reforms had translated into the steady growth of the GNP, even if, during the last two years that growth had slowed down.²² On the other hand, the UPA governments had implemented laws such as the 2005 National Rural Employment Guarantee Act (giving the *right* to 100 days of work to any rural family); the 2005 Right to Information Act (opening the work of the government to the scrutiny of both individual citizens and grass root organizations); the 2006 Forest Rights Acts, granting land and forest rights to India's *adivasis* (tribals); the 2013 Food Security Act, granting a certain quantity of food on a monthly basis at very reduced prices to some 80% of the population; and the 2013 Land Acquisition Act (which provides a fair compensation to those whose land is expropriated in order to favour economic development).

These policies – both the prosecution of the liberal reforms and the launching of a set of anti-poverty and/or anti-discrimination laws – could and have been roundly criticized both because they were not rightist enough or, vice versa, because they were not leftist enough. This is a fact that, by itself, could be taken as an indication that such policies did represent a balanced approach to the problems that they were supposed to solve. This was exactly what was claimed by Jairam Ramesh, one of the

²² The GDP rate of growth was +8.5% in 2003-04 (the year before the UPA victory); +7.5% in 2004-05; +9.5% in 2005-06; +9.7% in 2006-07; +9% in 2007-08; +6.7% in 2008-09; +8.6% in 2009-10; +9.3% in 2010-11; +6.2% in 2011-12; +5% in 2012-13; +5% in 2013-14. See Government of India, *Economic Survey*, for the relevant years (<http://indiabudget.nic.in/survey.asp>). According to some economists, the downturn visible since 2011-12 was the direct consequence of the decision taken in March 2010 by the RBI (the Indian central bank) to raise policy rates to fight inflation.

Congress leaders, after the defeat. «There are some people who would say we were not Left enough – said Ramesh –; some would say we were not Right enough. These are simplistic binary options which I reject. Let us say we were on the right track. We were stressing growth with empowerment. Without growth, empowerment is hollow; without empowerment, growth is meaningless.»²³ However, it is a fact that, during the electoral campaign, the Congress appeared unable to highlight the economic and the social achievements of the UPA governments. Indeed, the Congress campaign was a «listless and confused campaign»,²⁴ which was ultimately fought on the battleground chosen by Narendra Modi.

On his part, Modi was able to project the Gujarat economic record during his tenures as chief minister as *the* model of economic development, a model supposedly invented and implemented by Modi and ready to be applied to the whole of India. In doing so, Modi was able to push to the background a set of potentially embarrassing elements: that the Gujarat development was not unique; that other Indian states had been growing faster than Gujarat; that the Gujarat model was far from being inclusive; that, historically, Gujarat had always been one of the wealthiest areas of India; that, in fact, the beginning of the Gujarati economic boom predated Modi's arrival as chief minister. 3.3. The two opposing armies

The political army deployed behind Narendra Modi was made up by the BJP, the RSS (Rashtriya Swayamsevak Sangh, namely an extremely powerful and well organized non-parliamentary organization), and the parties allied with the BJP, gathered in the NDA (National Democratic Alliance). Moreover, among Modi's supporters there were two powerful social groups: one was what the Indian press likes to call India Inc., and the other the Indian middle class.

The BJP, like the other Indian parties, is far from being a democratic organization. However, even because, after 2004, the central leadership had been weak, a number of influential leaders had conquered a position of eminence and a solid following in their respective states. Narendra Modi was one among these influential state leaders; but Vasundhara Raje in Rajasthan, Shivraj Singh Chouhan in Madhya Pradesh, and Raman Singh in Chhattisgarh were hardly less successful, powerful and popular in their own states. This means that the BJP had in-depth political roots in a number of important states.

²³ «Out-funded and out-communicated». Interview with Senior Congress leader Jairam Ramesh', *Frontline*, 13 June 2014.

²⁴ 'Cong may defend Gandhi scion from any blame, but this is why Rahul is responsible for party's debacle', *Dailybhaskar.com*, 16 May 2014 (<http://daily.bhaskar.com/news/NAT-TOP-how-congress-facing-its-worst-time-under-rahul-gandhi-4615700-NOR.html>); 'There is a long list of Congress leaders behind Narendra Modi's success', *IBN Live*, 16 May 2014.

Beside the party, there was the RSS, historically the most important non-parliamentary Hindu organization. The RSS is a secretive, extremely well-knit, semi-military body, which controls, more or less closely, or at least influences most other political or social Hindu organizations, including the BJP. In an electoral battle, its strength rests on its well-organized and numerous body of volunteers. The allied parties were much less influential and well organized than either the BJP or the RSS. But, at least the Shiv Sena in Maharashtra and the TDP (Telugu Desam Party) in Andhra Pradesh were political forces to be reckoned with.

Much more important support was given to Narendra Modi's camp by the two powerful social groups named above: India Inc. and the middle class.

The first social group was made up by that limited number of extremely wealthy families which dominate the private economy in India. Historically, the political strategy of its members has been that of hedging their bets by supporting all the main parties in the political battlefield, even if not necessarily with the same amount of financial resources. But already before the 2009 general election some key members of this group started to abandon their traditional position of equidistance.²⁵ The Ambanis and the Birlas in particular came out with open support not so much for the BJP as for Narendra Modi. This happened at a time when the BJP's official candidate for the prime ministership was not Modi, but Lal K. Advani.²⁶ After the BJP's defeat in the 2009 elections, big business support for Modi consolidated. Significantly, the CEO confidence survey, carried out by the *Economic Times* in January 2013, revealed that 74 of the 100 top businesspeople polled preferred Narendra Modi as the prime ministerial candidate, whereas only seven chose Rahul Gandhi.²⁷ This pro-Modi preference eventually resulted in the strategic choice by most of the top Indian corporations to massively bankroll the BJP and the BJP alone (with very few exceptions, particularly the Tatas, who kept the traditional policy of funding the two main parties on a more or less equal footing).²⁸ Quite important also was the support given to Modi by India Inc. through its control of the massive majority of the press and the totality of private television networks. Press and television on one side projected Modi as a dynamic, strong-willed, intelligent leader, a kind of knight *sans peur et sans reproche* (fearless and blemishless), while, at the

²⁵ 'Anil Ambani, Sunil Mittal endorse Modi as PM', *The Indian Express*, 14 January 2009.

²⁶ 'BK Birla joins «Modi for PM» chorus', *DNA*, 23 October 2009.

²⁷ 'CEO confidence survey: Almost three fourths back Narendra Modi; less than 10% want Rahul Gandhi as PM', *The Economic Times*, 6 September 2013. At the time Rahul Gandhi had not yet been chosen as the Congress official candidate, but everybody was convinced that he would be.

²⁸ 'Narendra Modi rode wave of money to Indian victory', *Financial Times*, 19 May 2014; 'Birla group largest donor to BJP's poll fund', *The Times of India*, 26 June 2014.

same time, highlighting and magnifying out of proportion Rahul Gandhi's weaknesses and gaffes.

The support of the middle class – a minority, but an influential one – was hardly less decisive. Some of its members, grouped in the «Citizens for Accountable Governance» – mostly young professionals and corporate executives who worked on a voluntary or semi-voluntary basis – played a key role as an extremely effective consulting and campaign solutions team.²⁹ Other members of the middle class either ran a widespread social media campaign in support of Modi or offered their technical know-how to realize startlingly innovative electoral methods. Among these methods, there was the utilization of holograms representing Modi and carrying out his message in those corners, particularly in rural India, where Modi could not be present in person.³⁰

The situation of the opposing army was starkly different. The Congress appeared to be at the fag end of a long-term organizational decline. It was a decline that Rahul Gandhi had time and again declared he had decided to reverse. However, nothing concrete had ever been done. In fact the Congress on the eve of the 2014 elections was characterized by an all powerful central leadership presiding over a party organization which, in most Indian states, appeared to be in shambles. This all powerful central leadership had consciously precluded the emergence of any strong and popular party leader at the state level.

In this situation of weakness, the Congress could not hope for any decisive help coming from its allied parties, which, by and large, were lightweights. The only relatively strong allies, the Nationalist Congress Party in Maharashtra and the DMK in Tamil Nadu, had been badly tainted by the scandals emerged in the second half of the 2009–14 legislature.

What appeared really striking, however, was the social isolation of the Congress. Of course, the middle class had never supported the «Grand Old Party»; but the new positioning of India Inc. squarely behind Modi was a new and much unwelcome development. Moreover, even the connections with social groups which, traditionally, in most of India, had been on the Congress side – such as the dalits, the tribals, and the Muslims – appeared weak and in a state of flux.

Finally there was the problem of the younger and especially first-time voters. This was a statistical class which was bound to be highly significant in the 2014 general elections, when the number of first-time electors would equal some 120.53 million people out of an electorate of about

²⁹ On this group more later. A detailed analysis of its social composition and *modus operandi* is given by K.K. Sruthijith, 'This powerhouse nonprofit just changed campaigning in India forever', *Quartz*, 16 June 2014.

³⁰ 'The hand behind Modi's magic', *The Hindu*, 27 April 2014; 'Team Modi sets new benchmarks for online campaign', *The Hindu*, 18 May 2014; 'Lessons from Narendra Modi's media campaign', *India Real Time*, 11 June 2014.

833.06 million, namely 14.47% of the total electorate.³¹ This means that on average, in each constituency, first time voters would be around 43,000. This was a highly relevant proportion, because well above what had been the winning margin in 226 of the 553 constituencies in the 2009 general election.³² Differently put, first-time voters could swing the result of the vote in 41% of the electoral constituencies. Although at least some Congress leaders appeared to be aware of the relevance of this group,³³ the party seemed totally unable to connect with it and no specific strategy aimed at mobilizing it behind the party had been either devised or implemented.

3.4. *The leaders of the two opposing armies*

No doubt a main element in explaining the 2014 general election was the massive diversity in ability between the leaders of the two opposing armies: Narendra Modi and Rahul Gandhi.

A brief analysis of the two leaders is in order here. Rahul Gandhi is the heir to a political dynasty which has ruled India for most of its history as an independent nation. He has been pushed into the political arena by his mother, Sonia, who, since the late 1990s, has been the leader of the Congress party and the real power behind the throne in the UPA governments. The problem is that Rahul has always appeared to be both an extremely reluctant political player, and a person devoid of any political skills and personal charisma.

On the eve of the 2014 elections, the selection of a new Congress campaign leader and a new candidate for the position of prime minister had been made necessary by Manmohan Singh's declining prestige and Sonia Gandhi's health problems. Particularly important appears to have been the latter's inability to lead the Congress electoral campaign, due to her lack of physical strength. Sonia Gandhi had been an impressive campaigner in the 1998, 1999, 2004 and 2009 elections; in particular in the 1998 campaign, although unable to lead the Congress to victory, Sonia Gandhi had kept together a party that seemed headed for disintegration, whereas, in the 2004 campaign, she almost single-handedly led the party to an unexpected and resounding victory. However, all that changed in the summer of 2011, when she underwent a mysterious

³¹ Deepankar Basu and Kartik Misra, *BJP's Demographic Dividend in the 2014 General Elections: An Empirical Analysis*, Working Paper 2014-06, Department of Economics, University of Massachusetts, Amherst (<http://www.umass.edu/economics/publications/2014-06.pdf>), p. 11.

³² '90,000 per seat: Young India could swing Elections 2014', *The Financial Express*, 26 February 2014.

³³ E.g. Shashi Tharoor. See '150 mn first-time voters would determine outcome of polls: Tharoor', *Business Standard*, 22 April 2014.

surgical intervention in the USA, possibly cancer-related, which left her with much less physical energy than before.³⁴

In the Congress there were still some politicians who could have faced the challenge mounted by Modi on a level approaching parity; but the problem was that, had one of these leaders been chosen and emerged victorious, the Nehru-Gandhi family's grip on the party would have been broken. Sonia Gandhi's control of the party was based on her ability to deploy a conspicuous electoral following; that ability gone, the sceptre would pass to the victorious leader at the polls. Therefore, for Sonia Gandhi, the only way to keep control over the party was to choose as leader of the electoral campaign – and as candidate to the prime ministership – a member of her family.

The choice of Rahul was made by Sonia without arousing any opposition inside the party. In fact, many in the party had been clamouring for Rahul Gandhi's appointment as the new leader, and none had openly been opposing it. Paradoxically, all the difficulties came from Rahul himself, who appeared as reluctant as ever at the prospect of actively and seriously playing the role of leader. At the time of his choice as Congress Vice President and de facto party campaign leader (19 January 2013), Rahul Gandhi had already been in politics for some ten years, although fitfully. In fact, during the 2009 general elections, the Gandhi scion had played a very active role and led the party to a good positioning in the crucial state of UP. But that effort had been a flash in the pan: no sustained and continuous work to reorganize the party had followed it.

Equally important and as negative was Rahul Gandhi's difficulty in connecting with Indian youth. Although a very young politician by Indian standards (in 2014 Rahul Gandhi was 43 years of age, while Narendra Modi was 62), and although he had spent an important part of his political career as leader of the Youth Congress and its student wing, young Gandhi had been unable «to throw up a big idea that would make him particularly attractive to teenage India».³⁵ In a way more significant was the fact that he had been virtually absent in two causes that had been particularly important for young Indians: the Anna Hazare-led agitation against corruption, which had been the dominant political development in 2011, and the mass protest demonstrations which had shaken Delhi following the horrific Nirbhaya case of gang rape in on 26 December 2012.³⁶ All this was compounded by Rahul Gandhi's inability «to reach

³⁴ 'Sonia Gandhi puts son Rahul in charge as she flies abroad for surgery', *The Guardian*, 4 August 2011; 'The omertà on Sonia Gandhi's illness', *The Hindu*, 22 September 2011. According to an interview given to the author of these lines under condition of confidentiality, it seems that, after her operation, Sonia Gandhi had difficulty in coping with more than a very few people at the same time.

³⁵ 'Connecting with youth: Modi has edge over Rahul', *Hindustan Times*, 22 August 2013.

³⁶ *Ibid.*; 'Universities a battleground for capturing youth vote', *University World*

out to a highly interactive generation which thrives on constant communication», an inability which was epitomised by his reluctance to address press conferences, to participate in high-profile college fests, and, last but certainly not least, by the fact that he was not present in the social media space, not even having a Twitter or a Facebook account.³⁷

To anybody but the Congress rank and file – and, maybe even in his own eyes, judging from some of his own declarations – young Rahul Gandhi appeared as a person without qualities, who had been projected to his position as Congress leader only because he was the son, grandson and the great-grandson of three former prime ministers.

On his part, Narendra Modi appeared as Rahul Gandhi's exact opposite, being a self-made man and a social media skilled user. We shall dwell on the latter point in the next section. Here the former point will be tackled.

Modi is a man of humble origins, hailing from «a caste of lowly oil-pressers» and the «third of six children of a poor tea-seller at Vadnagar Railway Station, in Gujarat»,³⁸ who rose through the RSS and BJP rank and file. Inducted into the BJP national executive in 1991, Modi became chief minister of Gujarat in 2001, and remained in power winning a total of three consecutive state elections.

Far from having an easy path to being chosen as the leader of the BJP electoral campaign and its prime minister designate, Modi had to fight all along the way and overcome considerable hurdles. He had been confronted both by the opposition of a strong group of BJP leaders, among whom the most powerful one was his former mentor, Lal K. Advani, and by the open hostility of Nitish Kumar, the chief minister of Bihar and the leader of the Janata Dal (United), namely one of the key components of the NDA. On the top of all that, for quite some time the RSS leadership had appeared far from enthusiastic at the idea of having Modi as the BJP's prime minister designate.³⁹

In a long struggle, which began in 2012, Modi gradually pushed aside the internal opposition, and compacted the party behind himself. While the struggle was still on, at the beginning of 2013, the RSS leadership changed their attitude vis-à-vis Modi, and started to actively support him. From then on Modi's march became unstoppable: on June 2013 he was officially put in charge of the electoral campaign, and on 13 September

News, 4 April 2014.

³⁷ 'Connecting with youth'.

³⁸ 'Narendra Modi: From humble tea boy to India's Prime Minister-elect', *The Straits Times*, 17 May 2014.

³⁹ 'Why RSS is against Narendra Modi as NDA's PM candidate?', *One India News*, 23 October 2012; 'Divisive Modi is still a thorn for the BJP', *The Free Press Journal*, 7 December 2012; 'RSS not ready for PM Modi', *The Sunday Guardian*, 2 February 2013.

he was designated as the party candidate to the prime ministership. All this happened in spite of the opposition from Advani and others, thanks to the open support of the RSS leadership, and at the cost of an open break with Nitish Kumar's JD(U).⁴⁰

3.5. Narendra Modi's electoral campaign

The electoral campaign was started by Narendra Modi in September 2013, well in advance of the Congress campaign. From the beginning, Modi presented himself as the politician responsible for the extremely successful «Gujarat model» of development, which, if elected to the prime ministership, he would replicate at the all-India level. This dominant leitmotif was supplemented by other, maybe less insisted upon, themes, but hardly less important in conquering crucial swathes of the electorate. One was the fact that – different from what had been the rule in the BJP leadership (and in the leadership of most Indian parties, barring the caste-based ones) – Modi himself belonged to a low caste. This was complemented by the attention that Modi gave to the dalits, exemplified by his remark on 3 March 2014, at a rally in Muzaffarpur (Bihar), that «The next decade will belong to the dalits and the backwards».⁴¹ This was a trump card particularly in states such as UP and Bihar, where the low castes (or so-called Other Backward Classes) and the dalits are numerous and politically powerful.

Another theme, utilized with devastating results, was the contrast with Rahul Gandhi. Modi continuously highlighted the fact that, whereas he was a self-made man who, starting from the lowest rungs of the social ladder, had climbed to the top on the strength of his willpower and abilities, his adversary was the pampered scion of an illustrious family, without any particular personal merit, whom Modi derisively dismissed as the *Shahzada*, the «princeling». On the same wave length was the *chai wallah* (tea vendor) affair: a mocking remark by the well-known congressman and former minister Mani Shankar Aiyar, hinting at Modi's past as a boy serving tea in his father's outfit, was readily capitalized on in order to claim that those who thrived on dynasty politics could not accept being challenged by somebody «whose mother used to wash dishes».⁴² Moreover, the adroit handling of the affair by the Citizens for Accountable Government (on which more later), made of the ubiquitous *chai wallahs* of India as many pro-Modi activists.

⁴⁰ In fact, in June 2013, the JD(U), which had opposed Modi's ascent to leadership all along, left the NDA and broke its alliance with the BJP in Bihar. See, e.g., 'Nitish Kumar pulls the plug on NDA', *The Statesman Weekly*, 22 June 2013.

⁴¹ 'In 2014, Hindutva versus caste', *The Hindu*, 26 March 2014.

⁴² 'How Modi used Aiyar's «tea seller» barb to attack Congress', *Hindustan Times*, 19 January 2014.

Finally, Modi was well aware of the importance of targeting the young and the relevance to that end of the new forms of communication, from mobile phones and text messages to the massive use of the social media, including Twitter and Facebook. Already during the summer of 2013, namely before the official launch of his electoral campaign, Modi had taken a position on the rising cost of education at various institutions (something that Rahul Gandhi never did) and, in August, in a meeting of the BJP central leadership in New Delhi, had asked his party's state units to focus their attention on young and first-time voters.⁴³ One can surmise that, in doing so, Modi was spurred by several considerations. The first was that, for an age group whose components were around six to ten years old in 2002, the months-long anti-Muslim pogroms which had convulsed Gujarat in that year – and which remained the most conspicuous blot in Narendra Modi's political career – were bound to be unimportant.⁴⁴ Another consideration behind Modi's attention to Indian youth must have been his conviction that, by projecting his developmental ideology through the new media – which supplied most young people with information and moulded their *Weltanschauung* – he could fully mobilize a population category, which, historically, had had a low level of participation in the electoral process.⁴⁵

There is no doubt that, from the beginning of the BJP electoral campaign, a great deal of attention was given to young and first-time voters, including those in the rural areas. Modi personally reached out to young voters through social media like Google Hangout and Twitter while, at the same time, putting in charge of the campaign to mobilize the same group not only the Yuva Morcha (the BJP youth wing), headed by Anurag Thakur, but a newly created special committee. This committee was headed by the «relatively youthful» BJP general secretary, Muralidhar Rao (sometimes spelled Murlidhar Rao), who had emerged through the BJP rank and file among other reasons because of his remarkable skills as a student organizer.⁴⁶

⁴³ 'Narendra Modi wants BJP to focus on first-time voters', *Live Mint*, 18 August 2013; 'Team Modi sets its sights on India's young and restless voters', *First Post*, 15 July 2013.

⁴⁴ 'Team Modi sets its sights on India's young and restless voters'.

⁴⁵ According to the national elections studies conducted by the New Delhi Centre for the Study of Developing Societies, the turnout among young voters had historically been 5 to 6% points lower than the average turnout. See 'Universities a battleground for capturing youth vote'.

⁴⁶ Sanjay Singh, 'Team Modi sets its sights on India's young and restless voters'; Muralidhar Rao's exact age seems to be a well guarded secret. However, it seems that he got an MA from Osmania University in 1985. On the attention given by Modi and the BJP to young and first time electors see also: 'Narendra Modi wants BJP to focus on first-time voters', *Live Mint*, 18 August 2013; Rajdeep Sardesai, 'Connecting with youth: Modi has edge over Rahul', *Hindustan Times*, 22 August

In carrying out his multi-pronged attack, Modi, as a rule, dwelled on divisive religious/communal themes only exceptionally, and mainly in the last legs of his long-drawn-out campaign. But, in a way, the religious subtext to his developmental and meritocratic rhetoric was made clear not only by Modi's stray remarks on the matter, but by those of other leaders of the Hindu Right and his own closer help, Amit Shah. Apart from that, there is no doubt that the massive campaign led on the ground by the RSS volunteers fleshed out Modi's technocratic and meritocratic rhetoric with the assertion and reiteration of the traditional religious/communal tenets proper of the Hindu Right in general and the RSS in particular.

While on the campaign trail, Narendra Modi showed himself to be an extremely active campaigner, an extraordinarily effective speaker and a master of the minutiae of the single constituencies where he campaigned.⁴⁷ Both the overreaching developmental ideology propounded by Modi and the command of the minutiae in any given constituency were the result of previous work by Modi and his helpers.

What made the developmental ideology compelling, particularly for the middle class, was not only – and, maybe, not so much – Modi's economic record, but the capability that he had shown in opposing, and expelling from Gujarat, those organizations of the Hindu Right which, still in the time of Vajpayee's governments (1998-2004), had fiercely opposed the neoliberal economic agenda, harking back to *swadeshi*, namely the autarchic economic policy of nationalist lore.⁴⁸ On the other hand, Modi's mastery of the minutiae of the different constituencies was the by-product of the in-depth research work carried out by the Citizens for Accountable Governance.

In fact, the Citizens for Accountable Governance played a crucial role in organizing the whole campaign, in producing talking points for Modi and in putting together and distributing *Moditva*, a book collecting Modi's speeches. As noted above, it was again this group which translated Mani Shankar Aiyar's *chai wallah* remark into a propaganda weapon.⁴⁹ The group was headed by Prashant Kishor, namely a political operative very close to Modi. However, as already recalled, the group was chiefly made up of non-politicians, mainly young middle class professionals and corporation executives. Rather unexpectedly, the group showed an uncanny ability at working harmoniously with both the BJP and RSS personnel. This became visible and brought huge electoral rewards particularly in UP.⁵⁰

2013; Ravish Tiwari, '90,000 per seat: Young India could swing Elections 2014', *The Financial Express*, 26 February 2014.

⁴⁷ 'Narendra Modi: From humble tea boy to India's Prime Minister-elect'.

⁴⁸ 'A Hindutva variant of neo-liberalism', *The Hindu*, 4 April 2014.

⁴⁹ 'Modi's landslide. This powerhouse nonprofit just changed campaigning in India forever', *Quartz*, 16 June 2014.

⁵⁰ *Ibid.* (Emphasis added.)

Last but not least, thanks to the decisive role played by his alter ego, Amit Shah, Modi was able to develop a very effective relationship with the RSS volunteers, deploying them as an extremely efficient ground army.⁵¹

3.6. *Rahul Gandhi's electoral campaign*

On the eve of the campaign, Sonia Gandhi set up a committee under her chairmanship, including most of the party's senior leaders, which should have directed the ensuing electoral battle. However, after meeting only once, the campaign committee de facto stopped functioning, Sonia Gandhi became inactive, and the proposals made at the committee's initial meeting were forgotten. The organization of the campaign then passed into the hands of Rahul Gandhi, his sister Priyanka and a group of non-political, mostly foreign-educated advisers.⁵²

Superficially, «Team Rahul» looked much like the pro-Modi Citizens for Accountable Governance. But there were two key differences: Team Rahul was less efficient, and its members were «people with no electoral experience [...] no stature, standing, respect and credibility *in the party*».⁵³ Perhaps more important, Team Rahul's coming to the foreground as the electoral campaign organizer brought about a situation in which Rahul and his team «did not listen» either to the party cadres or to the Congress legislators and senior leaders and did not communicate with them. The consequence «was a rift between grassroots workers and party leaders» and the fact that the party became «unresponsive» to the directives from the top.⁵⁴

In this situation of isolation, Rahul and his team fell back on an electoral strategy that was not proactive but reactive; reactive, that is, to the storm of accusations which had scourged the party in the second half of the 2009–14 legislature. They were of three different kinds: the first was that the Congress was a party beset with corruption; the second was that the prime minister, Manmohan Singh, during the second UPA legislature had become apathetic and a silent accomplice to the widespread corruption in his own government; the third was that the social content laws enacted by the party had been a waste of public money and a source of corruption (or, as Modi liked to claim, the UPA economic policies were not development policies, but dole policies). In an astonishing – and astonishingly inept – surrender to these accusations, the party apex put on the back burner attempts to lay claim to the

⁵¹ 'Judgement Day feast for the Shah of Shahs', *Outlook*, 26 May 2014.

⁵² '5 reasons for the Congress's defeat', *Rediff*, 16 May 2014; 'Rumblings of dissent against Rahul Gandhi after election drubbing', *Reuters*, 23 May 2014.

⁵³ 'Milind Deora first to speak out: Rahul Gandhi advisers wrong, so were people they advised', *The Indian Express*, 22 May 2014 (emphasis added).

⁵⁴ 'Milind Deora first to speak out'; 'Rumblings of dissent against Rahul Gandhi after election drubbing'; '6 reasons why Congressmen think they lost the Lok Sabha elections', *DNA*, 22 May 2014.

UPA's political and economic achievements. Rather, it was decided to project Rahul Gandhi as a «new man», a kind of Indian Heracles who would clean those stables of Augeas which had become the Congress. Hence Rahul Gandhi had to be separated from the old Congress ruling class and constructed as the demiurge who would mould a new kind of party – younger, cleaner, more democratic and more efficient. The result of this choice was the decision to project Rahul Gandhi as the sole face of the Congress during the electoral campaign; significantly, both Sonia Gandhi and Manmohan Singh did not feature on the most recurring election posters, «leaving Mr. Gandhi's youthful features, often trendily unshaven, beaming alone».⁵⁵ This could not but be a self-defeating choice, as Rahul Gandhi was not credible as the external saviour: after all, he had been in and out of politics for ten years, always very near to the Congress real centre of power, namely his own mother.⁵⁶

On top of it all, the Congress strategists appeared unable to decide how Rahul Gandhi should counter Modi's onslaught. In fact, they vacillated between two lines: the first highlighting Modi's communal past and warning the electorate of the dangers of the communal agenda which was possibly hidden behind his developmental rhetoric; the second attacking the developmental rhetoric itself, showing the social shortcomings and economic limitations of the «Gujarat model».

As they had done more than once when confronting Modi on his home turf (namely in the Gujarat state elections), and with similar disappointing results, the Congress strategists decided that raking-up memories of the 2002 communal riots in Gujarat «would prove counter-productive, resulting in a Hindu consolidation».⁵⁷ However, the Congress' attempts «to punch holes in Modi's claims on [the] development front found few takers particularly since the Congress party's own credibility had hit an all-time low».⁵⁸ Eventually, as the campaign progressed, the Congress «changed tack and started attacking Modi for his divisive agenda and communal leanings». At that point, however, Modi had already succeeded in projecting himself «as a strong and decisive leader», the only one with the ability to take charge of India's many problems and put them right.⁵⁹

Apart from the confused and vacillating strategies implemented by the Congress, what made its whole campaign ineffective was Rahul Gandhi himself. A handsome, photogenic and likeable person, Rahul did show an

⁵⁵ 'On the campaign with Rahul Gandhi', *BBC News India*, 31 March 2014.

⁵⁶ 'India Elections 2014: The grim unravelling of Rahul Gandhi', *International Business Times*, 16 May 2014.

⁵⁷ '5 reasons for the Congress's defeat'. Of course, part of the problem was the fact that 'raking-up' the 2002 anti-Muslim pogrom in Gujarat would invite a rebuttal by the BJP highlighting the dismal role of the Congress in the 1984 anti-Sikh pogrom in northern India.

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

energy, when on the campaign trail, which has been unfairly appraised by the Indian media.⁶⁰ But the fact remains that, if Modi, although «a master in exaggeration», was a great communicator; Rahul Gandhi, on his part, was a very poor communicator, and «a master of misplaced metaphors».⁶¹ Rahul's speeches came through as rich in generic (and hardly questionable) promises of reform of both his party and the social and political system, but totally devoid of any concrete plans to implement such promises. Possibly the lowest point in Rahul Gandhi's whole campaign – and the undeniable demonstration of his lack of communication skills – was the television interview with *Time Now* editor in chief Arnab Goswami, on 27 January 2014. In it, young Gandhi came through as an immature leader, prone to give «clownish non-answers».⁶²

3.7. *The BJP's breakthrough in the Hindi heartland*

So far the 2014 electoral battle has been described as mainly a direct contest between the BJP and the Congress. However, the BJP victory would not have been so massive, had the party not conquered the two key northern states of UP and Bihar, namely the core of the Hindi belt. Between them, UP and Bihar send 120 members to the Lok Sabha (80 the former, 40 the latter), namely 22% of the elected members. If, in 2014, in those two states the BJP had conquered the same amount of seats as in 2009, its overall majority would have been equal to 211, instead of 282.⁶³ In other words, the BJP would still have a majority, but much less than the absolute majority, which would have considerably limited its political options and power. Significantly, most of the pre-election analyses set the margin of the BJP victory around 200–210 seats, which possibly means that Modi's party was not expected to win so massively in UP and Bihar.

What makes these two states such interesting case studies is that the Congress was a minor player in both, as the political landscape was dominated by a number of powerful regional parties: the Samajwadi Party and the Ba-

⁶⁰ On this, non Indian media were more honest. See, for example, 'On the campaign with Rahul Gandhi', and 'India Elections 2014: The grim unravelling of Rahul Gandhi'.

⁶¹ 'Mystery solved: 5 things we now know about Rahul Gandhi', *First Post*, 24 May 2014.

⁶² For the expression 'clownish non-answers' I am indebted to Subhash Agrawal of 'India Focus'. The Rahul Gandhi interview went «viral» on the internet, where it can be easily found. For a full transcript, see 'Rahul Gandhi's first interview: Full text', *The Times of India*, 27 January 2014 (<http://timesofindia.indiatimes.com/india/Rahul-Gandhis-first-interview-Full-text/articleshow/29455665.cms>).

⁶³ In 2009 the BJP had conquered 10 seats in UP and 12 in Bihar; in 2014 those numbers went up to 71 and 22 respectively, with an increment totalling 71 seats.

hujan Samaj Party in UP; the Janata Dal (United) in Bihar. Accordingly the BJP won – and won massively – by defeating the local regional parties.

3.7.1. *The BJP's breakthrough in UP*

The political situation in UP in the previous decade was characterized by the fact that the BSP and the Samajwadi Party appeared to have successfully marginalized the two all-India parties: the Congress and the BJP. In turn, this had left the political arena free for a long-drawn-out duel between the two regional parties. The Samajwadi Party's main constituency was made up by the alliance between the Yadavs, namely the most powerful of the OBCs (Other Backward Classes), and the Muslims. On the other hand, the BSP's core constituency was made up by the dalits. The two parties had been able to gain the absolute majority of the UP Assembly seats – the BSP in 2007, the SP in 2012 – by extending their social basis to include all the OBCs, in the case of the Samajwadi Party, or the bulk of the upper castes in the case of the BSP.⁶⁴

On the eve of the 2014 election campaign, the public mood in UP appeared characterized by a general disillusionment with both the BSP and the Samajwadi Party. In fact, their abysmal record when in power had led to a «deep sense of alienation», particularly among the non-Yadav OBC supporters of the Samajwadi Party and the non Chamar/Jatav Dalit⁶⁵ followers of the BSP.⁶⁶

Against this background, communal tension, which after 1992–93 had been on the wane, resurfaced in August–September 2013, when, in the northern UP district of Muzaffarnagar, a violent confrontation pitted the Jats (the locally dominant Hindu caste) against the Muslims. This resulted in the murder several scores of persons, the bulk of whom were Muslims, and the displacement of the whole local Muslim community.⁶⁷ The rea-

⁶⁴ According to A.K. Verma, in UP the Other Backward Classes amounted to 41.5% of the population, the Dalits 21%, the Muslims 18.5% and the Upper Castes 19%. See A.K. Verma, 'Uttar Pradesh – communal polarisation vs caste calculus', *Economic and Political Weekly*, 3 May 2014.

⁶⁵ The Chamar/Jatav is the politically most powerful of the 66 sub castes in which the UP Dalit are divided.

⁶⁶ 'Modi wave in Uttar Pradesh was powered by religious polarisation, appeals to caste', *Scroll.in*, 20 May 2014.

⁶⁷ According to the UP government, 46 Muslims and 16 Hindus had been killed; according to the central government, the numbers were 42 Muslims and 20 Hindus. See '107 killed in riots this year; 66 Muslims, 41 Hindus', *Hindustan Times*, 24 September 2014, and 'SP government reveals 46 Muslims and 16 Hindus killed in Muzaffarnagar riots', *The Daily Mail*, 18 October 2013. On the situation of the Muzaffarnagar Muslims after the riots, see, e.g., 'Fear stalks displaced Muslims after Muzaffarnagar riots', *Reuters*, 19 September 2013.

sons and the unfolding of the riots need not to detain us here; what is important is an examination of its political consequences. The Muslims felt betrayed by the SP government, which had failed to protect them and had been laggard in succouring them. On the other hand, the BJP, which, led by Amit Shah, had been reorganizing itself in UP already for many months, was in the position to make capital of the riot. It projected the Jat–Muslim clash as «a broader battle between Hindus and Muslims», persuading «the Jats, as also other non-Muslim social groups, that they had been discriminated against not because they were Jats, but because they were Hindus».⁶⁸ At that point, a video was posted online showing what was alleged to be the brutal beating by a Muslim mob of two persons, supposedly two Hindus. The video – which had been filmed in Pakistan, and had no connection with the Muzaffarnagar clash – played a role in making the situation even tenser. At that point, the BJP, in the successful effort to portray itself as the only party willing to fight the pretended injustices suffered by the Hindus, organized a ceremony in Agra to felicitate the Jats who had been implicated in the riots.⁶⁹

In UP as in the remainder of India, the BJP's electoral campaign worked like a Swiss timepiece, making use of both the most advanced IT techniques and the time-tested and capillary ground propaganda carried out by the RSS. During the campaign, the developmental theme came to be integrated with two others: the first was Narendra Modi's low caste origin, aimed at seducing the OBCs; the second, which became prominent particularly in the closing days of the electoral campaign, was the raking up of some of the traditional topics of the Hindu Right: the ban on beef exports and the building of the Ram temple on the site of the Babri Masjid, the mosque razed to the ground by Hindu activists in 1992. Thanks to the situation of communal tension caused by the Muzaffarnagar riots and their inept handling by the UP government, the strategy paid handsomely. As pithily summed up by Ajaz Ashraf of Scroll.in: «It wouldn't be wrong to say that the politics of religion and caste comprised the cake, while development was the cherry on top.»⁷⁰

3.7.2. *The BJP's breakthrough in Bihar*

In a way, the case of Bihar is more difficult to explain than that of UP. For quite a long time, Bihar had been considered, and rightly so, one of the most backward states in India, marked by the spread of crime and corruption. Then, following the 2005 state elections, a new government, based on the alliance between the BJP and the Janata Dal (United), a lo-

⁶⁸ 'Modi wave in Uttar Pradesh was powered by religious polarisation'.

⁶⁹ *Ibid.*

⁷⁰ *Ibid.*

cal regional party, took power. The new government, led by Nitish Kumar, the JD(U) leader, started to turn things around spectacularly: the rampant criminality and widespread corruption which had beset the state was effectively rolled back, and, even as a consequence of the new and more favourable law and order situation, the economy started to grow rapidly. In the 2010 state elections, the BJP-JD(U) combine was returned to power, even if the relative position of strength between the two parties was reversed in favour of the JD(U). By that year, Bihar had already become the second fastest growing state in India, averaging an annual growth rate of 11% in the five years from 2004/05 to 2008/09 (which put Bihar «just a shade behind Gujarat's well-publicized growth of 11.05%»)⁷¹. During the second BJP-JD(U) government, Bihar's growth rate further and conspicuously accelerated, making of it the fastest growing state in India. In 2012–13, Bihar's rate of growth reached the stellar 15.05%, which put it well ahead of Gujarat (which, with a 7.96% rate of growth, was only sixth).⁷² Differently from what was the case in Gujarat, Nitish Kumar, while actively promoting an economic growth which was spearheaded by infrastructure building and the rapid increase of the tertiary sector, advocated «caution on land acquisition for urbanization or industrialization and would not have the state intervene on behalf of big money».⁷³ Again differently from what was the case in Gujarat, Nitish Kumar, particularly since 2009, put a great deal of effort into promoting a socially inclusive growth, by empowering the weakest sections of society, particularly the EBCs (Extremely Backward Classes), the Mahadalit (namely the most backward among the scheduled castes), and women.

For some eight years, beginning in 2005, Kumar ran one of the most «trouble free» coalition governments in India,⁷⁴ having a good working relation with the local BJP. However, already during the 2009 general election and the 2010 Bihar state election, it became clear that Nitish Kumar's relationship with the BJP rising star at the national level, Narendra Modi, was bad, as shown by the fact that Kumar prevented Modi from campaigning in Bihar.⁷⁵ In June 2012, Nitish Kumar made it clear that he would not accept the Gujarat chief minister as the NDA leader. When,

⁷¹ 'Bihar grew by 11.03%, next only to Gujarat', *The Times of India*, 3 January 2010.

⁷² 'Bihar's growth rate boosts Nitish's claim to top job', *The Hindu*, 8 March 2014. According to the Central Statistical Office data, quoted by *The Hindu*, Madhya Pradesh (9.89%) was second, Goa (8.47%) third, Kerala (8.24%) fourth, and Odisha (8.09%) fifth.

⁷³ 'Nitish Kumar: Bihar's renaissance man', in *Mint*, 15 February 2014.

⁷⁴ 'Why Nitish Kumar, Bihar's development hero, is a lonely man today', *First Post*, 16 March 2014.

⁷⁵ 'JD(U) says no to Modi, Varun campaigning', *The Hindu*, 9 August 2010; 'JD-U rules out Modi campaigning in Bihar', *The Tribune*, 15 September 2010; 'Marriage of convenience: a history of BJP, JD(U) alliance', *Hindustan Times*, 11 June 2013.

in spite of his warnings, Modi was chosen by his party as the campaign leader, on 16 June 2013 Nitish Kumar left the NDA and broke his alliance with the BJP in Bihar (where he was able to remain in power thanks to the support of some independent Members of the Legislative Assembly).

The break had not arrived unexpected, and the BJP was ready for it. In the following propaganda battle, the BJP claimed that credit for Bihar's phenomenal growth went less to Nitish Kumar than to both the BJP state ministers and the economic support from the central government. But the BJP's real trump card was another, namely that Modi belonged to an «extremely backward caste». The BJP strategists anticipated that, by itself, this was bound to attract at least a part of those EBCs which had hitherto made up one of the key social blocks supporting Nitish Kumar. Consequently, BJP strategists actively began to build an electoral front which, beside the high castes, traditionally represented by the BJP, included both EBCs and dalits.⁷⁶

The ensuing electoral campaign rapidly demonstrated two things: the first was that, at least in Bihar, eight years of unprecedented and uninterrupted economic growth coupled with social peace and a constant effort at making growth as inclusive as possible hardly had any impact at the electoral level; the second was that, at least in Bihar, what really counted was caste arithmetic. In turn, caste arithmetic implied the distribution of (promised) rewards to the several castes, but, firstly and most importantly, to their leaders. It was through the promise of rewards to such caste leaders that social support was consolidated behind the BJP and party alliances were put in place.

Two things made the BJP promises alluring: the first was that, at the all-India level, the BJP was clearly on the roll, while the Congress was as clearly in a state of difficulty. The second was, as rightly guessed by the BJP state strategists, Modi's caste origin, plus his newly found attention for dalits. Joining Modi meant to jump on the bandwagon of the very probable victor at the all-India level; staying with Nitish Kumar meant to join a leader who, even if victorious at the state level, could hardly hope to have any decisive political leverage at the national level and, consequently, could not offer the same rewards as Modi. Not surprisingly, the Bihar BJP soon proved itself to have an almost irresistible gravitational force: some politicians who had hitherto belonged to the JD(U) now entered the BJP or formed their own party in order to arrive at an alliance with it; others, who, the situation having been different, could have allied with the JD(U), now sought an alliance with the BJP. An example of the former case is that of Upendra Kushwaha, a low caste leader, who, after leaving the JD(U) to create his own party, the Rashtriya Lok Samata Party, eventually joined hands with the BJP (February 2014); exemplary of the

⁷⁶ E.g. 'Narendra Modi as a «backward leader», Nitish Kumar as an upper caste «hero»', *The Indian Express*, 15 April 2013.

latter case was the alliance with the BJP of Ram Vilas Paswan's Lok Janshakti Party, representing the Bihari dalits.⁷⁷

In a situation in which caste arithmetic was crucial and party alliances indispensable, Nitish Kumar showed himself incapable of building a strong anti-BJP party coalition. He had to face the competition of that same old enemy he had ousted from power in 2005: the Rashtriya Janata Dal (RJD). Led by Laloo Prasad Yadav, the RJD had as its potential electoral base the Yadavs, namely the most numerous and powerful among the Bihari OBCs, and the Muslims. In the period leading up to the general election, Nitish Kumar worked towards reaching an alliance with the Congress, but eventually failed; likewise he failed in the attempt to gain the support of the majority of the Muslim community. The latter decided that Laloo Prasad's RJD remained a more effective weapon against Modi, possibly because Laloo Prasad was eventually able to stitch an alliance with both the Congress and the Indian Nationalist Congress (a member of the UPA).

Already some weeks before the elections, it became clear that, in most of Bihar, the real struggle was between the BJP-led alliance and the RJD-led alliance, whereas the JD(U) was isolated and, in the intentions of vote, well behind either combine.⁷⁸ In fact, at the polls the BJP gained the absolute majority (22 seats out of 40), while its two allies, the LJP and the RLSP, won respectively six and three seats. On its part, the JD(U) crashed down from 20 to two seats, ending behind the RJD (which gained four seats, while its allies, the Congress and the NCP won two and one seats respectively).

3.8. *The Congress debacle in Andhra Pradesh*

The general election was held in Andhra Pradesh concurrently with the state election, which was the last one in the undivided state. In fact, on 2 June 2014, Andhra Pradesh was officially divided into Andhra Pradesh proper and Telangana, bringing the number of the Indian states from 28 to 29. When the elections were held, the state was still formally united, but its impending division was the dominant factor in the political landscape and, as explained below, was crucial in determining the results both for the Lok Sabha and the Vidhan Sabha (which, soon after the elections, was divided in the Andhra Pradesh Vidhan Sabha and the Telangana Vidhan Sabha).

⁷⁷ After the general election, both Kushwaha and Paswan became members of the Modi government.

⁷⁸ For example 'Is Nitish Kumar's arrogance finishing him?', *Rediff.com*, 7 April 2014; 'Why Modi waves lift Lalu's boat, but leaves Bihar's Muslims at sea', *Scroll.in*, 11 April 2014; 'Stakes are high for Nitish', *Millennium Post*, 14 April 2014.

Whereas, in 2009, the Congress party had secured 38.95% of the votes in the state and had conquered 33 out of 42 Lok Sabha seats (which made AP the single largest contributor to the Congress' victory), in 2014 – after the bifurcation of the state – the party won two Lok Sabha seats (both in Telangana) and just 11.5% of the votes. Moreover, the performance of the Congress at the elections for the states' legislative assemblies was equally (if not more) disastrous: the party failed to conquer a single seat in AP proper (often called Seemandhra) and won just 21 (out of 119) seats in Telangana. Overall, the party lost as many as 135 assembly seats.⁷⁹ Victory was shared between the Chandrababu Naidu-led TDP (Telugu Desam Party), an ally of the BJP, which triumphed in the electoral districts bound to remain in Andhra Pradesh, and the K. Chandrasekhar Rao-led Telangana Rashtra Samithi, which won in the districts bound to become the new state of Telangana.

These results are mainly explained by the way in which, during the previous years, the UPA government at the centre, but most particularly the Congress, had managed the process of bifurcation.

3.8.1. *How the demand for the creation of Telangana was finally granted*

The demand for a separate Telangana state preceded the formation of the state of Andhra in 1953.⁸⁰ In fact, the State Reorganization Commission established by the Indian government in December 1953 had advised against the immediate merger of Telangana and Andhra into a unified state.⁸¹ However, the government decided otherwise. Then Prime Minister Jawaharlal Nehru brokered a «gentlemen's agreement» between political leaders from the two regions that should have ensured political and economic safeguards for Telangana.

However, as noted by a government-appointed commission in 2010, most of the terms of the deal were not respected in the subsequent decades⁸². In the late 1960s, major protests erupted in Telangana. Then Prime Minister Indira Gandhi managed to reach an agreement with the local political leaders that resulted in the 32nd Amendment of the Constitution. However, protests did not stop and erupted once again in the mid 1980s and then again in the mid 2000s.

There are several reasons why the supporters of the Telangana state advocated the bifurcation of the state. Most of these reasons ultimately

⁷⁹ All data are taken from the website of the Election Commission of India: eci.nic.in

⁸⁰ Rama Sundari Mantena, «The Andhra Movement, Hyderabad State, and the historical origins of the Telangana demand: Public life and political aspirations in India, 1900-56», *India Review*, 13, 4, 2014, pp. 337-357.

⁸¹ State Reorganization Commission Report, 1955.

⁸² Srikrishna Committee Report, 2010.

stem from the backwardness of the region. The 2009 Backward Region Grant Fund identified 13 of the districts in AP as particularly backward; nine of them were in Telangana (i.e. all the Telangana districts except Hyderabad).⁸³ Telangana supporters have argued ever since that the backwardness of the region was mainly due to an unfavourable share of the waters of the Krishna and Godavari rivers, to under-spending in education, and to the under representation of Telangana within the state's civil service. The Srikrishna Committee (appointed in 2010) found that most of these claims were fairly substantiated, although it also noted that Rayalaseema, namely one of the two sub-regions of Seemandhra (or Andhra Pradesh proper), was at least as backward as Telangana, if not more so.⁸⁴

Telangana supporters attributed this lack of attention to their region's needs to the fact that the politics of AP had been dominated by politicians from Seemandhra. The Srikrishna Committee found this claim to be substantiated too. In just 10.6 years of the 54 years between 1956 and 2010, for example, was the chief minister of the state from Telangana.⁸⁵ Similarly, the crucial finance ministry was allocated to politicians from Telangana for just 9.5 years.⁸⁶ Since 1983, the chief minister came from Telangana only once (Dr Marri Channa Reddy, between December 1989 and December 1990).

In 2001, a significant development brought the bifurcation issue to the forefront of national politics. A member of the TDP, Kalvakuntla Chandrashekar Rao (popularly known as KCR) formed a new political party, the Telangana Rashtra Samiti (TRS). The party had a single-point agenda: the formation of a separate Telangana state.

Despite the fact that both the BJP, then ruling at the centre, and the Congress had declared on several occasions that, in principle, they did not oppose to the creation of the new state, nothing concrete happened during the NDA governments (1998-2004). This was mainly due to the opposition of the TDP (which was part of the NDA)⁸⁷ and of the great majority of AP's political class. At the centre an additional element in preventing the creation of Telangana might have been fears that accommodating the demand for Telangana would spark off similar requests in other parts of the country, particularly in West Bengal and Maharashtra. It is however a fact that the NDA government adopted a very different policy with regard to other comparable situations; so much so that, in

⁸³ Ministry of Panchayati Raj, *A note on the backward regions grant fund programme*, New Delhi, 2009, p. 13.

⁸⁴ Srikrishna Committee Report, 2010.

⁸⁵ *Ibid.*, table 7.4.

⁸⁶ *Ibid.* table 7.5.

⁸⁷ 'Telangana would have been reality had TDP cooperated: LK Advani', *DNA*, 30 October 2012.

2000, it created three new states: Jharkhand, Chhattisgarh and Uttaranchal.⁸⁸

Obviously resentful at the BJP's attitude, the TRS then decided to make an alliance with the Congress in view of the 2004 general elections. As a result, after the elections, the newly formed UPA government committed itself to «consider the demand for the formation of a Telangana state»⁸⁹ in the Common Minimum Programme, which fixed the political agenda of both the UPA and the Left Front (which granted external support to the first UPA government).

By the end of the 2004-2009 legislature, however, nothing concrete had come out of the promised «consideration» of the Telangana demand. In fact, just before the 2009 general election the Congress-led AP government,⁹⁰ the Congress party at the national level and the BJP⁹¹ all declared to be in favour of the formation of Telangana. Not surprisingly, after the elections, and soon after the convincing victory of the Congress at its allies, KCR decided to force the hand of the new UPA government. On 29 November 2009, the TRS leader went on an indefinite fast. The law and order situation in Hyderabad (and KCR's physical condition) degenerated rapidly. On 9 December 2009 – Sonia Gandhi's birthday – the government capitulated. Home Affairs Minister P. Chidambaram announced that the government had decided to proceed with the creation of the new state.⁹²

3.8.2. *Endgame in Andhra Pradesh/Telangana ... and the end of Congress*

The announcement was obviously celebrated in Telangana. However, it also led to massive protests by Seemandhra's legislators belonging to all parties, many of whom resigned en masse.⁹³

There were three main reasons why the prospect of bifurcating AP worried legislators from Seemandhra. First, since Hyderabad is in Telangana, Seemandhra politicians were concerned for the financial situation of the residual state. The city, a high-tech and pharmaceutical hub, generates a large share of the state's revenue. There has been a great deal of confusion regarding how big this share actually is. Seemandhra's politi-

⁸⁸ A crucial difference with the Telangana situation was that a broad consensus on the creation of the new states existed in the parent states (in Madhya Pradesh, Uttar Pradesh, and, to a lesser extent, in Bihar). See Louise Tillin, *Remapping India – New States and Their Political Origins*, London: Hurst&Co., 2013.

⁸⁹ Common Minimum Programme, May 2004.

⁹⁰ 'Oppn slams move to form Telangana panel', *Indian Express*, 14 February 2009.

⁹¹ 'Why it is Telangana that holds the key', *The Hindu*, 7 April 2009.

⁹² 'Centre concedes demand for Telangana state', *The Hindu*, 10 December 2009.

⁹³ '100 MLAs from Andhra, Rayalaseema regions quit', *The Hindu*, 11 December 2009.

cians, in particular, were keen to demonstrate that, without Hyderabad, the residual state was condemned to bankruptcy. The figures that they provided ranged from nearly half to as much as three-quarters of the state's total revenues. However, the actual figure is around 17%.⁹⁴

The second reason concerned the economic interests that businessmen from Seemandhra have in Hyderabad and Telangana. This is a particularly sensitive issue, as a very large proportion of Andhra Pradesh's political class has important economic interests in Telangana.⁹⁵ Officially, business-people-cum-politicians feared that the new Telangana government would seize their properties. This was based on rather shaky grounds, as every Indian citizen can legitimately have business interests and properties anywhere in the country. However, and this was probably their real concern, the virtual totality of their business activity depended upon the owners' influence over the state government. This influence would obviously be lost in the new state with unpredictable consequences for pending contracts, land allocation, and future contracts (often stipulated under very dubious circumstances). Finally, Seemandhra politicians feared that their influence over national politics would be severely reduced.⁹⁶

This being the situation, on 23 December 2009, just two weeks after the announcement of the process of bifurcation of the state, the Congress-led central government backed off. The Ministry of Home Affairs declared that no step would be taken until a broad consensus was reached.⁹⁷ The announcement provoked a strong reaction by Telangana's legislators and ministers (both at the state and at the national levels), who presented their resignations en masse;⁹⁸ at the same time, Seemandhra MLAs (Members of the Legislative Assembly) decided to withdraw theirs.⁹⁹ At this point the Congress party had succeeded in the rather difficult endeavour of representing in Seemandhra the party that wanted to create Telangana, and in Telangana the party that did not want to bifurcate the state.

In February 2010, the central government decided to buy some time through the appointment of the above-quoted Srikrishna Committee. The committee found the reasons behind the demand for a separate

⁹⁴ Gautam Pingle, 'Hyderabad's revenues', *Economic and Political Weekly*, 30 November 2013, pp. 10-12.

⁹⁵ 'Super-rich Andhra MPs biggest barrier to Telangana formation', *DNA*, 15 February 2014; 'Telangana statehood: What Andhra Pradesh minus Hyderabad means', *Indian Express*, 31 July 2013.

⁹⁶ Michelguglielmo Torri, 'L'India nell'anno del trionfo del Congresso', *Asia Maior* 2009, p. 111.

⁹⁷ 'Wide-ranging consultations needed on Telangana: Centre', *The Hindu*, 23 December 2009.

⁹⁸ 'Telangana: 11 Congress MPs decide to quit', *The Hindu*, 24 December 2009; 'Telangana MLAs submit resignation to Speaker', *The Hindu*, 25 December 2009.

⁹⁹ 'Coastal Andhra, Rayalaseema MLAs withdraw resignation', *The Hindu*, 24 December 2009.

Telangana «not entirely unjustified».¹⁰⁰ However, it recommended keeping the state united, provided that some constitutional safeguards for Telangana were introduced. In other words, the committee suggested replicating the model that had failed in the decades before. The committee, however, recommended also, as the «second best option»,¹⁰¹ creating Telangana with Hyderabad as its capital. Of course, the report disappointed everyone, and left the hot potato in the hands of the central government.

To add confusion to an increasingly confusing situation, the Union government decided not to publish the eighth chapter of the Srikrishna Report, dealing with the consequences of the creation of the state in terms of law and order. The AP High Court, however, ordered the government to make the entire report public. The court, moreover, claimed that the information included in the secret chapter demonstrated that the committee was «against the creation of Telangana».¹⁰²

The central government, however, filed an appeal in the AP High Court, against the ruling, claiming that disclosing the report would endanger the integrity of the country.¹⁰³ This argument was accepted by the court, and the secret chapter remained secret.¹⁰⁴ However, the «secret chapter saga» certainly did not contribute to bring the Telangana and the Seemandhra partisans nearer, which was what the government claimed to be pursuing. In 2011 and 2012, a regular pattern emerged. The Union government would make a statement, that led to protests and to resignations, that in turn led to a counter-statement by the Union government, that led to counter-protests and to counter-resignations and so on.

This situation ended up in the virtual paralysis of the administrative activity in Andhra Pradesh. The state bureaucracy split in two parts, along regional lines, each refusing to cooperate with the other.¹⁰⁵ In October 2013 a strike of the power sector employees in Seemandhra led to severe shortages of power, petrol and water, which in turn led to difficulties in withdrawing cash from ATM machines, made inoperative intensive care units, and brought about the virtual paralysis of the public and private transportation systems.¹⁰⁶

¹⁰⁰ Srikrishna Committee Report, 2010, p. iii.

¹⁰¹ *Ibid.*, p. 453.

¹⁰² 'Srikrishna panel was anti-Telangana: HC judge', *Times of India*, 24 March 2011.

¹⁰³ 'Chapter 8 of Srikrishna committee report a secret document: Centre', *The Hindu*, 26 February 2013.

¹⁰⁴ Some newspaper reports included some excerpts of the chapter that were supposedly leaked. See, for example, 'Telangana formation: Srikrishna report had warned Centre of a storm in the T cup', *DNA*, 2 November 2013.

¹⁰⁵ 'Tension among employees in Hyderabad government offices', *Business Standard*, 6 August 2013.

¹⁰⁶ 'Misery piles up as blackout continues', *The Hindu*, 8 October 2013.

In the meanwhile the political situation became more and more confusing. Since 2012 it had become clear that the electoral prospects of the Congress, particularly in Seemandhra, were bleak. The Congress lost a high number of seats in the by-poll elections in both regions.¹⁰⁷ The AP Congress party started to fall apart, as an increasing number of legislators defected to other parties.¹⁰⁸

In July 2013 the Congress party had come to the conclusion that the decision on Telangana could not be deferred further. Two political considerations convinced the party's high command. First, with the national elections looming, the party did not want to concede an easy electoral issue to the BJP, which had repeatedly proclaimed itself to be in favour of the creation of Telangana. Second, the party had reached the conclusion that, irrespective of the final decision on Telangana, the electoral prospects in Seemandhra were disastrous.¹⁰⁹ Hence, the only thing the Congress could do was to concede statehood to Telangana, hoping to reap the political benefits. The latter consideration was based on the assumption that the TRS would merge or at least make an alliance with the Congress, as KCR had stated on several occasions.¹¹⁰ However, on the eve of the elections, KCR realized that his party was stronger than expected and decided – wisely – to contest the elections on his own.¹¹¹ This was a fatal blow for the Telangana Congress party.

In July 2013, the Congress Working Committee (CWC) issued a resolution endorsing the bifurcation of the state and suggesting that Hyderabad would be the common capital for ten years before becoming the exclusive capital of new state.¹¹² The cabinet cleared the Telangana bill on the lines of the CWC resolution in October 2013.

In the following months Seemandhra legislators (both at the state and national levels) reached a new low in terms of disrespect for parliamentary procedures. The AP Legislative Assembly (where MLAs from Seemandhra were in a majority) rejected the Telangana bill (which constitutional provisions required to be submitted to the assembly for consideration) among major disruption. The «vote» on the bill lasted less than 30 seconds.¹¹³ In the Lok Sabha, a Seemandhra MP even resorted to pepper spray against his colleagues in an attempt to stop the discussion of the bill.¹¹⁴ The Lok

¹⁰⁷ 'The numbers game in Andhra Pradesh', *The Hindu*, 16 June 2012; 'TRS captures four seats', *The Hindu*, 22 March 2012.

¹⁰⁸ 'Kiran begins fire-fighting to retain MLAs', *The Hindu*, 22 November 2012.

¹⁰⁹ 'Telangana looks certain', *The Hindu*, 19 July 2013.

¹¹⁰ 'Take party, give me state: KCR to Congress', *Times of India*, 26 December 2010.

¹¹¹ 'TRS rules out alliance with Congress in AP', *The Hindu*, 17 March 2014.

¹¹² 'Telangana will be India's 29th State', *The Hindu*, 31 July 2013.

¹¹³ 'AP Assembly rejects Telangana Bill, final say with Parliament', *Indian Express*, 31 January 2014.

¹¹⁴ 'MPs make it a day of shame for Parliament', *The Hindu*, 14 February 2014.

Sabha eventually approved the Andhra Pradesh Reorganisation Act on 18 February 2014. However, Indian citizens could not see the approval of the bill on television: all nine television cameras inside the Lok Sabha chamber «mysteriously» stopped working minutes before the vote.¹¹⁵

Summing up, the astonishingly inept tackling of the whole Telangana issue by the Congress destroyed the party in the whole of the undivided Andhra Pradesh. The haemorrhage of party members, which, as noted above, had started in 2012, continued (and intensified) up to the 2014 elections.¹¹⁶ By then, the party existed more in name than in deed, especially in Seemandhra.¹¹⁷ The result was the virtual destruction of the Congress state party, which crashed down from 33 to two Lok Sabha seats.

3.9. *What triggered the «Modi wave»?*

Once all the above has been said on the 2014 electoral battle, and even at the risk of somewhat oversimplifying a very complex issue, it is perhaps necessary to try to sort out what factors, among the many singled out above, played the key role in Narendra Modi's smashing victory.

The real mainspring of Modi's victory – the triggering element in determining the «Modi wave» – seems to have been the ability to build what one can term the «Modi legend». It has been noted that, during the electoral campaign and before, Modi was projected as a dynamic, strong-willed, intelligent leader, a kind of fearless and blemishless knight, a statesman of superior abilities, responsible for making Gujarat bloom, who would do the same for the whole of India. This is largely a legend, in the true meaning the word: although based on some elements of reality, it is a tale of fantasy. Once this is said, it is a fact that Modi's legend has been accepted as reality by the majority of Indians, quite independently of their class, caste, and even regional belonging.

How was this legend crafted and, more importantly, how it was accepted? Certainly, to think that it was born spontaneously would be dangerously naive. In fact, Modi's legend started to be built before the 2009 elections, when, as noted above, some key members of India Inc. decided to support the choice of the then Gujarat chief minister as the new BJP candidate to the national prime ministership. From that time onward, considerable economic and intellectual resources were employed in exalting Modi's supposedly exceptional qualities,¹¹⁸ and in concealing his many blemishes. In this

¹¹⁵ 'Mysterious Lok Sabha TV blackout during passage of Telangana Bill', *Times of India*, 22 February 2014. This was probably a way to discourage MPs from adopting unduly behaviour (which made little sense if nobody could see it).

¹¹⁶ 'Party-hopping on a divided terrain', *The Hindu*, 16 March 2014; 'JC Diwakar Reddy, son join TDP', *The Hindu*, 24 March 2014.

¹¹⁷ 'Is the Congress finished in Andhra Pradesh?', *Firstpost*, 14 January 2014.

¹¹⁸ At the beginning of 2013, Anil Ambani went so far as to compare Narendra

the traditional media – private television stations and major newspapers and magazines owned by India Inc. – played a crucial role.

This strategy had an increasing impact on the political vision of the Indian middle class, which, in turn, spread it far and wide by making use of the non-traditional media and, during the electoral campaign, supplied its own energies and skills in supporting Modi. Finally, Modi and his number two, Amit Shah, showed the ability to build a working political alliance between the middle class activists and the traditional grass root organizations of political Hinduism. In turn, middle class activists and the traditional Hindu grass root organizations were able to spread Modi's legend among the masses. Crucial in making possible the success of their efforts was the adroit and massive use of new and not so new technologies: holograms and mobile phones – the latter utilized for both text messages and direct calls – spread Modi's message well beyond the middle class and urban India to even the most backward social strata in the most inaccessible corners of the country. As noted above, holograms were made use of particularly in the far away rural areas, which Modi could not reach in person; on the other hand, the penetration of television and mobile phones allowed the BJP campaign to reach around 74% of the population.¹¹⁹

At the end of the day, all this was made possible by India Inc.'s initial strategic decision to support Modi. Accordingly, it was India Inc. that played the decisive role in Modi's victory. However, Modi's victory was so complete as to give him all the strength that he needed to be – if he so desired – his own man.

4. Narendra Modi's government

On 26 May 2014 Modi's government was sworn in. Consistent with Modi's promise to ensure «minimum government, maximum governance», the cabinet was one of the smallest in recent times: 23 cabinet ministers and 22 ministers of state. However, political compulsions led Modi to expand the Council of Ministers in November, when the size of the cabinet reached 65 members (Manmohan Singh's included 77 members).

The composition of the cabinet reflected the magnitude of the BJP's victory: out of 23 cabinet ministers sworn in May, as many as 19 belonged to the BJP, leaving little space for other members of the NDA, who had to content themselves with less important positions. The most important posts went to senior BJP leaders like Arun Jaitley (Finance and Defence),¹²⁰ Rajnath Singh (Home) and Sushma Swaraj (External Affairs).

Modi to Mahatma Gandhi. 'Vibrant Gujarat Summit 2013: Anil Ambani compares Narendra Modi to Gandhi, Sardar Patel', *Times of India*, 11 January 2013.

¹¹⁹ Basu and Misra, *BJP's Demographic Dividend in the 2014 General Elections*, p. 18.

¹²⁰ Defence was allocated to BJP's Manohar Parrikar in November.

The composition of the cabinet also reflected the usual attempt to give representation to most communities and regions. However, there was a clear effort to reward the castes and regions that had contributed the most to Modi's victory. Out of 45 cabinet members, over 20 were from the RSS's Brahmin–Vyshya–Rajput core constituency. Only three Dalits found a place in the Cabinet along with a single Muslim (Dr Najma Akbarali Heptulla, a former Congressman).¹²¹ The states of UP, Bihar and Maharashtra (which gave a decisive contribution in terms of number of MPs) got the highest number of Cabinet members. Strangely, Rajasthan (where the BJP won all 25 seats) was not represented.¹²² The expansion in November did not significantly change the social and political composition of the cabinet. Among the 21 new faces, only one did not belong to the BJP (Y.S. Chowdary, TDP).

It appears that two main political considerations drove the Cabinet expansion. First, a few MPs who had recently joined the BJP after defecting from other parties had to be rewarded. Especially important were the defections of Birender Singh (a prominent Jat leader from Haryana, who had been a member of the Congress party for 42 years), and of Suresh Prabhu (a Maharashtra MP formerly with the Shiv Sena). The former became Minister for Rural Development (a rather important job for a politician belonging to a farming caste), while the latter was appointed as Railways Minister (another very important ministry that controls huge budgetary allocations). Second, the acquisition of prominent leaders from the opposition parties and their induction into the government was also a way to strengthen the party's prospects for a series of state elections that were due shortly after the cabinet expansion (in particular in Haryana and Maharashtra).

5. *The politics of Modi's government*

The first six months of Narendra Modi's government have been characterized by two interconnected political processes. First, there has been a marked concentration of powers in the prime minister's hands. Second, there has been a similarly marked attempt to implement a cultural agenda tailored on the RSS view of the world.

The two processes are intertwined. First, Modi has been operating at various levels to centralize political power in his own hands. However, this centralization process – part of which has been the tightening of Modi's control on the BJP – has left out the RSS, which, in the period under review, remains the strongest alternative power centre to the one represented by the prime minister. In fact, during the first six months of Modi's

¹²¹ Rajesh Ramachandran, 'From dominant social groups to backward classes find representation in Narendra Modi-led government', *Economic Times*, 27 May 2014.

¹²² One Rajasthan MP was inducted in the Cabinet in November though.

government a tacit understanding between the two power centres seems to have been put in place: the prime minister is leaving a free hand to the RSS in the cultural sphere, as long as the RSS does not interfere too much with government affairs.

The concentration of powers in Modi's hands has been particularly evident in two spheres. First, the prime minister has been able to sideline internal enemies within the BJP and to take full control of the party. Second, as a direct consequence of the absolute majority enjoyed by the BJP in the Lok Sabha and the control that Modi exercises on his party, power has been concentrated in the Prime Minister's Office (PMO). Both aspects make Modi's government remarkably different from the coalition governments that have ruled India since 1989, and much more similar to those headed by Indira Gandhi in the 1970s and 1980s.¹²³ Another similarity is with the Modi government in Gujarat (2001-2014), where he was able to effectively crush alternative sources of power – including the RSS and the BJP – and establish a somewhat authoritarian one-man rule.¹²⁴

Modi's conquest of the BJP started before the general elections, when he was able to make the party appoint him as the prime ministerial candidate, despite the resistance of the «old guard» (especially some influential politicians like Lal Kishan Advani, Murli Manohar Joshi and Sushma Swaraj)¹²⁵, the scant enthusiasm of the RSS,¹²⁶ and the open opposition of an important political ally, Nitish Kumar (chief minister of Bihar).¹²⁷

Modi was thus able to fill the list of BJP candidates with a number of «Hindu incendiaries, tweedy ex-civil servants, sundry swamis, and so on [that] share[d] one common characteristic: staunch devotion to the leader.»¹²⁸ He was then able (9 July 2014) to install Amit Shah (a highly

¹²³ This parallel has been suggested by a number of analysts, including James Manor, 'Modi and India' (<http://www.governanceanddevelopment.com/2014/05/modi-and-india-other-elephant-in-room.html>); Christophe Jaffrelot in Vij, 'Modi's Plan A will be economy. If that does not work, Hindutva', *Scroll.in* 15 May 2014; and Ashutosh Varshney, 'Modi's institutional designs', *Indian Express*, 28 July 2014. A key difference from Mrs Gandhi is that Modi does not seem to have the intention of tightening the centre's control on the states. On the concentration of power during Mrs Gandhi's final term in office, see Diego Maiorano, *Autumn of the Matriarch – Indira Gandhi's Final Term in Office*, London and New York: Hurst & Co./Oxford University Press, 2015.

¹²⁴ 'The man who would rule India', *The Hindu*, 8 February 2013.

¹²⁵ 'Advani revolts', *The Hindu*, 11 June 2013; 'A tale of two BJPs', *Indian Express*, 25 June 2013.

¹²⁶ 'Narendra Modi: India's saviour or its worst nightmare?', *The Guardian*, 6 March 2014.

¹²⁷ 'A sacrifice the BJP cannot afford', *The Hindu*, 18 April 2013. For a detailed analysis of Modi's rise as undisputed leader of both the BJP and NDA see Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', pp. 121-27.

¹²⁸ Manor, 'Modi and India: the other elephant in the room', *IDS Governance*

controversial figure, facing prosecution for murder) as party president.¹²⁹

The extraordinary electoral result of the BJP obviously reinforced Modi's position within the party. In fact, both the media and the party attributed the results to Modi's leadership and popularity (an argument that was partially confirmed by post-poll surveys).¹³⁰

As a consequence, Modi was able to sideline internal enemies relatively easily. Vajpayee (whose health had precluded him from political activity for about a decade), Advani and Joshi have all been kept out of the two highest decision-making bodies of the party, the Parliamentary Board and the Central Election Committee.¹³¹ The only two representatives of the old structure of power who managed to keep a (formally) important position were Rajnath Singh and Sushma Swaraj. The former, despite past acrimony, played a key role in the nomination of Modi as prime ministerial candidate and was thus rewarded with the Home Ministry.¹³² Sushma Swaraj was given the Ministry of Foreign Affairs. However, their power was more cosmetic than substantial. Singh's position has been compromised by some leakages (originating from the PMO) concerning his son Pankaj allegedly accepting bribes for fixing a bureaucratic post.¹³³ Furthermore, the actual limitation of Rajnath Singh's real power became evident when he was substantially excluded from the selection of candidates both for the Lok Sabha elections and the subsequent round of by-polls in his home state (UP). Swaraj, on the other hand, has been systematically excluded from all important foreign policy decisions, as these are handled directly by Modi.¹³⁴ Summing up, the fact that the names of elected members of the BJP have been either chosen or approved by Modi and his most trusted lieutenant, Amit Shah, and the fact that Amit Shah was handpicked by Modi as the new president of the BJP are proof of the supremacy of the prime minister over the party. Although a few BJP leaders have expressed their unhappiness at this situation,¹³⁵ there are few doubts that, in the period under review, Modi's grip over the party has become virtually unshakable.

and Development, <http://www.governanceanddevelopment.com/2014/05/modi-and-india-other-elephant-in-room.html>.

¹²⁹ '«Murder Accused» Amit Shah appointed BJP President', *Outlook*, 9 July 2014; 'BJP strategist & Narendra Modi's confidant Amit Shah appointed party president', *The Economic Times*, 9 July 2014.

¹³⁰ Sandeep Shastri and Reetika Syal, 'Leadership in context', *Economic and Political Weekly*, 27 September 2014, pp. 77-81.

¹³¹ 'Amit Shah shunts Advani out', *Firstpost*, 27 August 2014.

¹³² Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', pp. 124-25.

¹³³ 'Who pushed Rajnath to the wall?', *Tehelka*, 20 September 2014.

¹³⁴ 'Early days', *The Economist*, 23 August 2014; 'Wait for it: the list of Sangh leaders spewing hatred is about to get much longer', *Scroll.in*, 12 December 2014.

¹³⁵ A few BJP leaders have already expressed their discontent with the supremacy of one leader over the entire party. 'So who's inside the sancta sanctorum?', *Outlook*, 1 September 2014.

The control of the party was important for Modi as a defence against any threat to his leadership coming from his own political camp. However, as it became clear during the first months of his government, the real centre of power was not the party but the government or, rather, a government which was immediately brought under the iron control of the prime minister and his PMO. In fact, just a few days after taking office, Modi scrapped the Groups of Ministers (GOM and eGOM) that had functioned as a collective (although rather inefficient) decision-making mechanism within the cabinet during the UPA governments.¹³⁶ He, then, summoned all chief secretaries – not a single minister was present at the meeting – and told them that they could approach him directly, without keeping their ministers in the loop.¹³⁷ Ministers were also denied the right to choose their own top bureaucrats and even personal secretaries, as all bureaucratic appointments came to be decided by the PMO.¹³⁸ Ministers were even told not to talk with the media,¹³⁹ with the exception of Finance and Defence Minister Arun Jaitley, one of Modi's most trusted allies, and arguably the only minister who retained some clout over governmental affairs.¹⁴⁰

Decision-making was thus completely centralized within the PMO, which not only was put in charge of what Modi considers his policy priorities – foreign relations, national security, infrastructure projects, etc. – but even routine matters like the composition of the Indian delegation for the Asian Games.¹⁴¹ This, paradoxically, could not but cause delays in policy-making, which is the opposite of what, in Modi's professed intentions, the centrality of the PMO in decision-making should achieve.¹⁴²

There are some indications that the concentration of powers in Modi's hands goes beyond the institutional field. The press reported rumours that a few ministers were being kept under surveillance. For example, Nitin Gadkari, a former BJP president and incumbent Minister of Transport, has allegedly complained to the RSS chief that his residence (along with that of other BJP leaders) had been bugged.¹⁴³ According to an article that appeared in *Outlook* (1st September 2014), Minister for Information and Broadcasting, Prakash Javadekar, was on his way to Delhi airport to attend a conference in Kenya when he received a call from the PMO

¹³⁶ 'Modi scraps GoMs, EGoMs', *The Hindu*, 31 May 2014.

¹³⁷ 'Approach me directly, PM tells Secretaries', *The Hindu*, 4 June 2014.

¹³⁸ 'So who's inside the sancta sanctorum?'; 'Modi's PMO overloaded as ministries go slow on decisions', *Business Standard*, 10 September 2014.

¹³⁹ 'Early days'.

¹⁴⁰ 'The Enablers', *The Economist*, 25 October 2014.

¹⁴¹ 'Six months of Modi government: Weaknesses', *Business Standard*, 24 November 2014.

¹⁴² 'Modi's PMO overloaded as ministries go slow on decisions'.

¹⁴³ 'So who's inside the sancta sanctorum?'

requesting him to dress appropriately. «What bothered Javadekar was the thought that somebody was keeping a tab on his movements and giving minute-by-minute information to the PMO.»¹⁴⁴ These rumours tend to be more credible since similar allegations regularly emerged when Modi was chief minister of Gujarat.¹⁴⁵

The concentration of power in Modi's hands, however, might have some political advantages for the BJP. Liberal opinion-makers and the urban middle classes were extremely annoyed by the two power centres (Sonia Gandhi and Manmohan Singh) that characterized the UPA's regime,¹⁴⁶ which, according to them, caused a virtual policy paralysis.¹⁴⁷

The second process that marked the first six months of Narendra Modi's government was the implementation of a cultural agenda dictated by the RSS, with the adoption of the *Hindutva*¹⁴⁸ ideology as its guiding star.

It should be noted, however, that Modi, at least for the time being, has not undertaken what we could call «the high road» to *Hindutva*. This would entail action in three core areas, which are prominent in the RSS agenda: the implementation of a uniform civil code; the revocation of Jammu and Kashmir's special constitutional status; and the construction of a temple on the ruins of the Babri Masjid in Ayodhya.

Dealing with any of these issues would have major domestic and international consequences; in particular the implementation of the above mentioned three key *Hindutva* goals would badly shake the social contract that binds the 150 million-strong Muslim community to the Indian state. It is very unlikely that Modi – who has always appeared to be less a Hindu extremist than an extremely pragmatic politician¹⁴⁹ – will want to pursue the high road to *Hindutva*, at least as long as his popularity remains high.

Nevertheless, once all the above has been said, there is no doubt that, in the period under review, the BJP was undertaking the «low road» to *Hindutva*. This replicated Modi's strategy during the electoral campaign, during which – as noted above – he presented himself as the «development man» and left the dirty job of polarizing the electorate to others, in particular Amit Shah, especially in sensitive regions like UP. To put it in

¹⁴⁴ *Ibid.*

¹⁴⁵ «The ace in Modi's pack», *Tehelka*, 19 April 2014; 'Early days', *The Economist*, 23 August 2014; 'Narendra Modi aide Amit Shah used police to spy on woman at «saheb's» behest, accuse Cobrapost, Gulail', *Financial Express*, 29 November 2013; 'The war within', *The Caravan*, 1 September 2012.

¹⁴⁶ Zoya Hasan, *Congress after Indira – Policy, Power, Political Change (1984–2009)*, New Delhi: Oxford University Press, 2012, ch. 4.

¹⁴⁷ 'Sonia Gandhi can break UPA out of its paralysis only by ending the dual power structure', *Economic Times*, 24 August 2012.

¹⁴⁸ I.e. the ideology of the RSS aimed at making India a Hindu country.

¹⁴⁹ For years the anecdote has made the rounds, according to which Atal Vajpayee, then prime minister, had claimed that had Modi detected any political advantage in doing so, he would have prayed three times a day in a mosque.

slightly different terms, Modi promotes two parallel discourses: development at the national level, and *Hindutva* at the local level.

It seems that Modi is either unable or, more probably, unwilling to control what the BJP and the RSS do at the local level and to draw a clear line about what the BJP/RSS members can or cannot say or do.¹⁵⁰ Perhaps the most extreme example of Modi's inability/unwillingness to control the *Hindutva* extremists is the appointment of a five-time MP from Gorakhpur, Yogi Adityanath, as the lead campaigner for the round of by-poll elections held in September 2014. Adityanath has a long history as a troublemaker.¹⁵¹ He is also one of the main proponents of the «Love Jihad» conspiracy theory, according to which there is a secret plan, elaborated by the Muslim community, aimed at seducing and marrying Hindu women, in order to alter the demographic equilibrium between the two religious communities. Adityanath has a more «colourful» definition of «Love Jihad» that is worth reproducing in its entirety: it is «a system where a girl surrounded with fragrance is enticed into a stinking world; where the girl leaves her civilised parents for parents who might have been siblings in the past; where purity is replaced with ugliness; where relationships have no meaning; where a woman is supposed to give birth every nine months; where the girl is not free to practise her religion; and if the girl realises her mistakes and wants to be freed, she is sold off».¹⁵²

The «Love Jihad» theme dominated the campaign for the by-poll elections in UP and in other states. Adityanath even urged Hindus to marry 100 Muslim women for every Hindu woman who had married a Muslim man.¹⁵³ All this happened without Modi and the BJP leadership taking any action against Adityanath, not even openly distancing themselves from Adityanath's open effort at disseminating hatred between the different religious communities.

Several other BJP politicians were rewarded for similarly promoting hatred between communities. Giriraj Singh, for example, raised a storm when, during the general election campaign, he suggested that opponents of Modi should migrate to Pakistan.¹⁵⁴ This has not prevented him from becoming Union Minister of State for Micro, Small and Medium Enterprises. Likewise, Sanjeev Baliyan, who has been accused of having fomented the riots in Muzaffarnagar in 2013, has been chosen as Minister of State for Agriculture and Food Processing.¹⁵⁵ Sadhvi Niranjan Jyoti,

¹⁵⁰ 'Achhe din, like old times', *Indian Express*, 29 July 2014.

¹⁵¹ 'The yogi and his tricks', *Tehelka*, 27 September 2014.

¹⁵² *Ibid.*

¹⁵³ The video (in Hindi) can be found here: <http://www.firstpost.com/india/watch-bjps-yogi-adityanath-tells-hindus-to-marry-a-100-muslim-women-1684103.html>.

¹⁵⁴ 'Those opposed to Narendra Modi should go to Pakistan, BJP leader Giriraj Singh says', *Times of India*, 20 April 2014.

¹⁵⁵ 'PM's choice shocks riot-hit town', *Telegraph India*, 27 May 2014.

Minister of State for Food Processing Industries, when opening the election campaign for Delhi on 2 December 2014, asked voters at an election rally in Delhi to «chose between 'Ramzadon' (those born of Ram) and 'haramzadon' (illegitimately born)»,¹⁵⁶ highlighting through this vivid phrase that only the Hindus («those born of Ram») are legitimate Indians, whereas all others are illegitimate. These are far from being isolated examples.¹⁵⁷

The behaviour of BJP ministers and MPs has had two consequences. First, opposition parties are finding an unexpected common platform against the communalization of the political discourse. The winter session of the parliament has been disrupted several times because of the protests of the opposition, thus impeding the government to move bills into parliament.¹⁵⁸

The second, and more worrisome, consequence is that Hindu extremists across the country are increasingly feeling free to target minorities and to undertake provocative initiatives, as they know that they will not face any serious repercussions. There are many examples of provocative initiatives taken by RSS-affiliated organizations. In October 2014, communal violence broke out in East Delhi as a result of the months-long marches and demonstrations organized by the Hindu Jagran Manch in front of the local mosque.¹⁵⁹ In July, some MPs belonging to the Shiv Sena (the Maharashtra Hindu right-wing party which, at the time was an ally of the BJP) tried to force-feed a fasting Muslim.¹⁶⁰ In December, a church was burned down in Delhi «not by accident», according to local residents.¹⁶¹ A week after that, the RSS organized a mass-conversion ceremony in Agra (200 Muslim families were offered money to «go back» to Hinduism), and announced that 5,000 more families would be converted on Christmas day in Aligarh.¹⁶²

To be fair, these episodes are hardly a novelty. However, what is unprecedented is, on the one hand, the scale of the initiatives and, on the other hand, the location of the conversion ceremonies in cities histori-

¹⁵⁶ 'Ramzada vs haramzada: Outrage over Union Minister Sadhvi's remark', *Indian Express*, 2 December 2014.

¹⁵⁷ 'Wait for it: the list of Sangh leaders spewing hatred is about to get much longer'.

¹⁵⁸ 'BJP leaders' polarising statements undermine party's ability to move key bills in Parliament', *Scroll.in*, 17 December 2014.

¹⁵⁹ 'Trilokpuri riots may be an attempt to polarise Dalits as Delhi polls seem likely', *Scroll.in*, 28 October 2014.

¹⁶⁰ 'Rise of the fringes: Narendra Modi government faces acid test', *The Economic Times*, 27 July 2014.

¹⁶¹ 'Dilshad Garden church set on fire, Christian community says not an accident', *Indian Express*, 1 December 2014.

¹⁶² 'RSS «re-converts» 200 Agra Muslims, says more in line', *Times of India*, 9 December 2014.

cally associated with Muslim culture. This is probably a sign that Hindu extremists are becoming increasingly confident, as they feel that the state is behind them. It is significant that Modi has remained silent on all communal controversies and has not taken any action against those who explicitly played the communal card for political purposes.¹⁶³

Overall, all this is resulting in increasing levels of communal violence, especially on the eve of elections. In UP alone, in the ten weeks that followed Modi's appointment (i.e. in the period up to the by-polls), 605 communal incidents took place,¹⁶⁴ a number that is almost equal to the total number of communal riots which occurred in *the entire country* during *the whole* of 2012 (668). The situation is becoming so worrisome that even Tavleen Singh – a well known journalist and one of Modi's staunchest supporters – wondered: «Why is the Prime Minister allowing the RSS to steal his mandate?».¹⁶⁵

There is a second area in which the promotion of *Hindutva* has been particularly apparent. This is the «saffronization» of the state's institutions, particularly educational institutions. Controlling educational institutions has always been a priority for the Sangh Parivar, namely the galaxy of Hindu organizations headed by the RSS. The RSS has always been keen on reducing the influence of Marxist (and supposedly pro-Congress) historians on the formulation of educational curricula. This had been attempted by Morarji Desai in the late 1970s¹⁶⁶ and, more recently, by the Vajpayee's governments (1998-2004).¹⁶⁷

Modi is following in the footsteps of Desai and Vajpayee. The Minister for Human Resource Development (which handles education policy), Smriti Irani, in spite of her Parsi-sounding (acquired) family name, is a long-time RSS worker coming from a family of long-time RSS workers. It is now a rather well established fact that she meets the RSS leadership on a regular basis to discuss educational policy.¹⁶⁸

Irani also appointed numerous RSS-friendly persons to important educational institutions. In July 2014, she appointed an unknown historian, Yellapragada Sudharshan Rao, as the chairperson of the Indian Council for Historical Research.¹⁶⁹ In fact, Professor Rao's articles, mainly

¹⁶³ 'Will Narendra Modi speak out?', *Economic and Political Weekly*, 13 December 2014.

¹⁶⁴ 'Be warned, BJP-RSS combine's agenda is to divide and rule', *Hindustan Times*, 11 August 2014.

¹⁶⁵ 'Fifth column: Stop Hindutva now', *Indian Express*, 13 December 2014.

¹⁶⁶ L.I. Rudolph and S.H. Rudolph, 'Rethinking secularism: Genesis and implications of the textbook controversy', *Pacific Affairs*, 56, 1, 1983, pp. 15-37.

¹⁶⁷ Nandini Sundar, 'Teaching to hate: RSS' pedagogical programme', *Economic and Political Weekly*, 31 December 2004, pp. 1605-12.

¹⁶⁸ 'Sangham: How the RSS is charting out changes in education', *Indian Express*, 23 November, 2014.

¹⁶⁹ According to a sympathetic article in 'The Hindu', Yellapragada Sudharshan

on the historicity of Indian epics, have never been published in any peer-reviewed journal.¹⁷⁰ He has also vowed to prove the authenticity of the *Mahabharata* and of the *Ramayana* during his term.¹⁷¹ In November Mrs Irani appointed Vishram Jamdar – a self-professed «RSS man»¹⁷² – as the chairman of the Nagpur Institute of Technology. During the Cabinet expansion in November, Ram Shankar Katheria (a former RSS *pracharak*) joined Mrs Irani's Ministry.

The long-term harmful influence of the RSS on the government's cultural agenda is also evident from the work of the Vivekananda International Foundation (VIF), a Delhi-based think tank that was set up by the Vivekananda Kendra, one of the RSS affiliated organizations, and very close to Narendra Modi. The VIF has been preparing an 11-volume history of India.¹⁷³ According to a fellow of the VIF, the objective of this multi-volume work is to present «the correct cultural, traditional and spiritual aspects of India» and to challenge the dominant view of India's history, whose supposed objective is to «make us feel inferior and destroy our fundamental Indian values».¹⁷⁴ It remains to be seen how influential the VIF's version of the history of India will be. However, there are reasons to believe that it will be important, at least as a propaganda instrument.

The VIF has provided a good number of senior officials to Narendra Modi's government. For instance, Ajit Doval, founding director of the VIF, was chosen as National Security Advisor; Nripendra Misra, a member of the VIF's executive council, became Modi's principal secretary; P.K. Misra, former senior fellow of the VIF and Modi's principal secretary at the time of the Gujarat riots in 2002, has been appointed additional principal secretary to the prime minister.¹⁷⁵ This obviously does not mean that all VIF affiliates are Hindu extremists – far from it – but it is certainly true that the Foundation has a clear ideological orientation that is not very dissimilar from the RSS.

Other state institutions were equally involved in the promotion of an RSS-inspired cultural agenda. Doordarshan Television is apparently sub-

Rao, a retired professor of the Department of History, Kakatiya University (not by any stretch of imagination among the most well-known Indian universities), has over 40 research papers to his credit, published in various national and international journals (see 'He aims to present history in a new perspective', *The Hindu*, 26 June 2014). However, not only the authors of this chapter have never come across any of his papers, but, significantly, Sudharshan Rao's name is not included in the databases of such well-known academic search engines as JSTOR and MUSE.

¹⁷⁰ 'History repeats itself', *India Today*, 21 July 2014.

¹⁷¹ 'In the name of History', *Tehelka*, 9 August 2014.

¹⁷² 'Calling himself «RSS person» applicant praises Irani, weeks later is made chief of Nagpur NIT', *Indian Express*, 7 November 2014.

¹⁷³ 'The brains behind Modi sarkar', *Tehelka*, 2 August 2014.

¹⁷⁴ *Ibid.*

¹⁷⁵ *Ibid.*

ject to significant pressures from the government. In October 2014, the station broadcast the entire speech of the RSS *sarsanghchalak* (supreme leader), Mohan Bhagwat. This was a sign, according to senior officials, of the growing influence of the RSS on state-owned television. Another official claimed that the Information and Broadcasting Minister, a former member of the RSS student wing, meets the station's Director General every morning. The official stated that he had not seen such an attempt to control Doordarshan since the times of the authoritarian Indira Gandhi-imposed emergency regime (1975-77).¹⁷⁶

6. *The economy*

6.1. *The situation in the first five months of the year*

After two difficult years, at the beginning of the period under review, the Indian economy started to turn around. At the beginning of February 2014, both the National Council of Allied Research (NCAER), India's oldest and largest independent think tank, and, one month later, India Ratings & Research, a credit rating and research agency belonging to the Fitch Group, estimated India's economic growth in 2014-15 as likely to grow from less than 5% in the preceding year to 5.6%.¹⁷⁷

On the same positive note was the assessment made on 17 February 2014 by the UPA Union Minister of Finance, P. Chidambaram, in his presentation speech of the Interim Budget 2014-15.¹⁷⁸ According to Chidambaram, the slowdown of the Indian economy, which had begun in 2011-12, had started to reverse in the second quarter (Q2) of 2013-14. According to Chidambaram: «In nine quarters, the GDP [Gross Domestic Product] growth rate declined from 7.5 percent in Q1 (the first quarter) of 2011-12 to 4.4% in Q1 of 2013-14». ¹⁷⁹ Then, thanks to the measures taken by the UPA government and the RBI (Reserve Bank of India),¹⁸⁰ growth in Q2 of 2013-14 was «placed at 4.8 percent» and growth for the whole year was estimated at 4.9%, which, according to the

¹⁷⁶ 'RSS broadcast is only one indication of rising control over Doordarshan, insiders complain', *Scroll.in*, 3 October 2014.

¹⁷⁷ 'India's GDP to grow at 5.6 percent in 2014-15', *The Hindu*, 6 February 2014; 'Indian economy to grow at 5.6% in 2014-15: India Ratings', *Business Today*, 6 March 2014.

¹⁷⁸ As a rule, the Union budget is tabled in the parliament the last day of February. However, when a general election is held, an interim budget is tabled some time before the election and the regular budget soon after it.

¹⁷⁹ *Interim Budget 2014-2015. Speech of P. Chidambaram, Minister of Finance*, 17 February 2014, § 14.

¹⁸⁰ For an analysis of these measures see Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', pp. 149-155.

Minister of Finance, meant that: «growth in Q3 and Q4 of 2013-14 will be at least 5.2 percent».¹⁸¹

Still according to Chidambaram, by the end of the fiscal year 2013-14, the deficit would be contained at 4.6%, «well below the red line» drawn in the previous budget (4.8%), while the Current Account Deficit (CAD), which «threatened to exceed» USD 88 billion, would be brought down to 45 billion. The foreign currency reserves – which in the previous two years had become dangerously thin – would be up to USD 15 billion. The Wholesale Price Index (WPI), which at the time of the presentation of the previous budget stood at 7.3%, at the end of January 2014 was down at 5.05%. Food inflation – namely the main component in pushing up the WPI – although «still a main worry», had «declined sharply from a high of 13.6 percent to 6.2 percent».¹⁸² Moreover, the rate of growth of agriculture was spectacularly on the rise,¹⁸³ whereas saving rates and investments had declined, but only marginally. The steps taken by the Union government to speed up the implementation of projects already approved through the creation at the end of 2013 of a Cabinet Committee on Investment and a Project Monitoring Group had been effective. In the Minister's words, «by the end of January, 2014, the way [has been] cleared for completing 296 projects with an estimated project cost of Rs. 660,000 crore [6600 billion].»¹⁸⁴ The rate of exchange of the rupee, heavily under pressure during the previous financial year, had been stabilized.¹⁸⁵ Exports had «recovered sharply», in spite of the fact that the growth of global trade had declined from 6.1% in 2011 to 2.7% in 2013. Infrastructures had received «a big push»; so much so that: «In the 2012-13 and in the nine months of the current financial year [2013-14], India had added «29,350 megawatts of power capacity, 3,928 kilometres of national highways, 39,144 kilometres of rural roads under PMGSY,¹⁸⁶ 3,343 kilometres of new railway track, and 217.5 million tonnes of capacity per annum in our ports.» Besides, according to Chidambaram, «19 oil and gas blocks were given out for exploration and 7 new airports are under construction.»¹⁸⁷

At the end of the day, the only really negative note, «the Achilles' heel of the Indian economy» in Chidambaram's words, remained manufacturing.¹⁸⁸ In spite of this, the Minister of Finance could «confidently assert»

¹⁸¹ *Speech of P. Chidambaram, Minister of Finance*, § 14.

¹⁸² *Ibid.*, §§ 6-7.

¹⁸³ Chidambaram commended the 'spectacular performance' of the agricultural sector. *Ibid.* § 8.

¹⁸⁴ *Ibid.*, § 9.

¹⁸⁵ *Ibid.*, § 15

¹⁸⁶ The Pradhan Mantri Gram Sadak Yojana is a centrally sponsored scheme introduced in 2000 by the Vajpayee government to provide connectivity to unconnected habitations as part of a poverty reduction strategy.

¹⁸⁷ *Ibid.*, §§ 10, 12.

¹⁸⁸ *Ibid.*, § 11.

that the economy was «more stable today than what it was two years ago». This was happening because: «The fiscal deficit is declining, the current account deficit has been contained, inflation has moderated, the quarterly growth rate is on the rise, the exchange rate is stable, exports have increased, and hundreds of projects have been unblocked.»¹⁸⁹

Much of what was claimed by Chidambaram in his 17 February speech was substantiated, soon after the elections, by the 2014 Economic Survey [ES], tabled in parliament by the new NDA Minister of Finance, Arun Jaitley, on 9 July 2014. The ES, although stressing that the inflation was «still above comfort levels», confirmed the decline of the WPI inflation (to 6% in 2013-14, compared with 8.9% in 2011-12 and 7.4% in 2012-13); it pointed out that, at the financial year end, the CAD was down to 1.7% of the GDP as against 4.7% in 2012-13. On its part, the rupee, «after plummeting to Rs. 68.36 to a US dollar on 28 August 2013» had «gradually strengthened» reaching in March 2014 an exchange rate of Rs. 61 per US dollar. Moreover, foreign exchange reserves had increased in a substantial way, although less than projected by Chidambaram in his 17 February speech. In fact, they had gone up by nearly USD 40 billion, climbing up from USD 275 billion in early September 2013 to USD 314.9 billion on 20 June 2014. Finally, the fiscal deficit had declined even more markedly than projected by Chidambaram, «from 5.7 per cent of GDP in 2011-12 to 4.9 per cent in 2012-13 and 4.5 per cent in 2013-14» (against the 4.6% estimated by the UPA Minister of Finance). As pointed out by the ES, this result had been achieved «by reduction in expenditure rather than from increased revenue».¹⁹⁰

Only concerning the GDP growth rate were the ES data somewhat less favourable than what had been estimated by Chidambaram. «After reaching a low of 4.4 per cent during the last two quarters (Q3 and Q4) of 2012-13 growth inched up to 4.7 per cent in Q1 of 2013-14 and further to 5.2 per cent in Q2 of 2013-14, only to decline to 4.6 per cent in the next two quarters»¹⁹¹ [namely the period September 2013 to February 2014], against the 5.2% estimated by Chidambaram. However, the ES, taking into consideration the improvement of both the CAD deficit and the fiscal deficit, was optimistic that, «no doubt [they would] feed into a higher growth in 2014-15».¹⁹²

Summing up, the economic legacy left by the UPA to the NDA was far from being catastrophic, as shown by the fact that the previous six quarters had seen a marked improvement on several fronts, amounting to an upturn of the general economic trend. Most of this improvement was the end product of the economic policies implemented by the UPA government.

¹⁸⁹ *Ibid.*, 15.

¹⁹⁰ *Economic Survey 2013-14* (<http://indiabudget.nic.in/>), §§ 1.3, 1.4.

¹⁹¹ *Ibid.*, § 1.5.

¹⁹² *Ibid.*

6.2. *Waiting for Modinomics*

After Modi's victorious election campaign, with such a heavy emphasis on a renaissance of the Indian economy thanks to the implementation at the all-India level of the famed «Gujarat model» or what the Indian and international media were starting to dub «Modinomics», expectations and fears – depending upon one's political perspective – for the Modi government's first budget were high indeed. On the right, there were expectations of reforms aimed at dismantling India's labour laws; privatizing public enterprises, including the profit-making ones; reforming higher education by ending the government's «bureaucratic stranglehold on the university system», namely privatizing it; replacing or outright dismantling such allegedly wasteful and corrupt social programmes as the National Rural Employment Guarantee Act and the Food Security Act, namely the most progressive laws implemented by the UPA governments; introducing the Thatcher-inspired voucher system to siphon off public money in favour of private schooling and health care.¹⁹³ Of course, what were the expectations of the right were the fears of the left, according to which the Modi government intended: «to gut any and all labor, environmental and social legislation that impedes corporate profit making, while lavishing subsidies, tax cuts and other largess on big business».¹⁹⁴ Some of Modi's and Arun Jaitley's first public utterances after the formation of the new government,¹⁹⁵ the hike in rail fares on 20 June¹⁹⁶ and the decision of the BJP-led Rajasthan government to emend three labour laws in order to favour the corporate sector¹⁹⁷ were all seen as pointers to the Modi government's will to implement a new, pro-business economic policy. However, the real litmus test of the Modi government's intentions could not but be the presentation of its first budget.

¹⁹³ A good summing up of the expectations of the Right is given by the economist Arvind Panagariya, in an article published in *Foreign Affairs*. See 'The promise of Modinomics', *Foreign Affairs*, 10 June 2014. In it Panagariya puts forth the theses which he had elaborated together with Jagdish Bhagwati in *Why Growth Matters*, Philadelphia: Perseus Books Group, 2013.

¹⁹⁴ Kranti Kumara, 'India's new government moves to implement big business agenda', *World Socialist Web Site*, 8 July 2014, § 2.

¹⁹⁵ 'Narendra Modi ready to take unpopular steps to bolster finances', *Live Mint*, 16 June 2014; 'Arun Jaitley says «mindless populism» needs to be checked', *Reuters*, 1 July 2014.

¹⁹⁶ 'Govt hikes railway fares by 14.2 pc, freight charges increased by 6.5 pc', *The Indian Express*, 20 June 2014.

¹⁹⁷ 'Rajasthan shows way in labour reforms', *The Indian Express*, 8 June 2014. The Rajasthan amendments to centrally approved laws needed the approval of the President of the Union (namely of the central government) in order to become effective. Presidential approval was given on 9 November 2014.

6.3. *The first Modinomics budget*

The presentation of the first budget of the Modi era was made by the Minister of Finance, Arun Jaitley, on 10 July 2014. The budget itself appeared to be structurally of the same kind as most budgets since the beginning of the neoliberal reforms. In other words, its aim was to push down both the deficit and taxation, by falling back on non-tax revenues and cuts in social spending. In pursuing this policy, the new budget showed a strong continuity with the latest UPA budgets, particularly with the interim budget. This continuity was admitted and justified by Jaitley himself in his speech of presentation of the budget, by saying that the steps announced in it were «only the beginning of a journey towards sustained growth» and that «it would not be wise to expect everything that can be done or must be done to be in the first Budget presented within forty five days of the formation of this Government».¹⁹⁸

The most immediately visible element of continuity with the interim budget was the acceptance, on the part of the new NDA Minister of Finance, of the «very difficult task» set up by his predecessor «of reducing [the] fiscal deficit to 4.1 per cent of the GDP in the current year».¹⁹⁹

The same continuity was perceptible on the side of taxation. Its structure, as in the previous UPA budgets, was characterized by low imposition on corporate profits and personal income, coupled by heavy indirect taxation. In fact, in Jaitley's budget, the amount of taxation on both corporate profits and personal income did not significantly differ from the interim budget, even if the Jaitley budget introduced some new tax concessions for big business and minor cuts in income tax (paid by the more affluent part of the population). On the other hand, the budget, although raising indirect taxation, from which most tax revenues originated, increased it only marginally.²⁰⁰

Of course, static tax revenues made it necessary to find non-tax resources in order to bring down the fiscal deficit to 4.1%. These non-tax resources were to be found through the implementation of a two pronged policy of disinvestment and reduction in real terms of social expenditures. Capital receipts other than borrowing, namely, by and large, revenues accruing from disinvestment, were estimated in the order of Rs. 739.52 billion. A key element in this policy was the rise of

¹⁹⁸ Ministry of Finance, *Budget 2014-15. Speech of Arun Jaitley, Minister of Finance*, 10 July 2014 (<http://indiabudget.nic.in/budget2014-2015/bspeechea.asp>) [hereafter *Budget Speech*], § 4.

¹⁹⁹ *Budget Speech*, § 7.

²⁰⁰ The additional revenue from indirect taxation was estimated to amount to Rs. 7.525 billion. Not a dramatically significant figure, when compared with a total estimate of expenditure nearing Rs. 180,000 billion.

foreign participation in the defence and insurance sectors. In both sectors, the composite cap of foreign exchange was raised to 49% from the pre-existing level of 26%.²⁰¹ On the other hand, expenditures related to social programmes – such as the National Rural Employment Guarantee Act – were decreased in real terms. However, the avowed policy of containing expenditures had at least a conspicuous exception. As pointed out by Arun Jaitley in his speech: «There can be no compromise with the defence of our country. I therefore propose to allocate an amount of Rs. 2,29,000 crore [2,290 billion] for the current financial year for Defence.»²⁰² In other words, the allocation for defence was being raised 12% compared with the previous financial year (in the interim budget the rise had been of 10%).²⁰³

In his speech, the Minister of Finance complemented the concrete decisions taken in the budget and aimed to reducing «wasteful expenditure» with a number of promises pointing the way towards the path leading to «a sustained growth of 7-8 per cent or above within the next 3-4 years along with macro-economic stabilization».²⁰⁴ The most significant of these promises were the creation of an Expenditure Management Commission, «to review the allocative and operational efficiencies of Government expenditure» and the engagement «to overhaul the subsidy regime, including food and petroleum subsidies, and make it more targeted».²⁰⁵ Again, on the side of promises there was that – already made time and again by both the NDA and UPA governments – of introducing a Goods and Services Tax (GST).²⁰⁶ The GST would take away the taxation jurisdiction from the states, putting it in the hands of the central government, rationalizing the taxation system.

Maybe the most positive aspect of the budget – which, however, was once again in line with the interim budget provisos – was the high allocation for infrastructure. This was raised by Rs. 1000 billion over the actual 2013-14 expenditure.

At the end of the day, the main problem with the budget was the fact that it did not provide any significant stimulus to aggregate demand. In

²⁰¹ *Budget Speech*, §§ 17, 18.

²⁰² *Budget Speech*, § 139.

²⁰³ '(India's) Military Budget', *Globalsecurity.org*, 27 October 2014 (<http://www.globalsecurity.org/military/world/india/budget.htm>).

²⁰⁴ *Budget Speech*, § 4.

²⁰⁵ *Budget Speech*, § 8. The latter promise came with the caveat that the targeting of the subsidy regime would be coupled with the provision of 'full protection to the marginalized, poor and SC/STs'. However, all past experiences pointed to the fact that any 'targeting' of the subsidies and help aimed at the poorest part of the population, namely the imposition of bureaucratic restrictions on those entitled to them, as a rule resulted in the exclusion of a sizeable part of those who should be entitled and an increase in corruption.

²⁰⁶ *Budget Speech*, § 9.

fact, the total proposed expenditure was only nominally higher than in the previous fiscal year, namely, taking inflation into account, de facto a decrease in real terms.

6.4. *Modinomics at work*

Because of the substantial continuity with the previous budget and because such continuity was expected, the reception of both India Inc. and the international capital to the 2014-15 budget, although somewhat lukewarm, was not negative.²⁰⁷ The other side of the coin was that both India Inc. and the international capital expected the Modi government to move quickly to implement pro-growth and pro-big business policies. This and the many electoral promises made by Modi put his government in a position to do exactly that or, at least, to appear to do that. For the remainder of the year the government economic policies were characterized by a set of high profile announcements, some concrete decisions, and promises or news that the government was at work in preparing new reforms. What was indeed done did not amount to much and boiled down to two policies: the first was the progressive dismantling or cutting down to size of those protections enjoyed by labour in the formal sector of the economy; the second was putting equity in Public Sector Undertakings (PSUs) on the market.

As far as the former policy is concerned, it can be noticed that it aimed at enlarging the informal sector – namely that sector of the Indian economy with no protection for labour, which on the eve of Modi's electoral triumph included above 70% of the work force.²⁰⁸ Here the main decision was taken at the end of July, when the cabinet cleared 51 amendments to the Factories Act, 1948, the Apprenticeship Act, 1961, and the Labour Laws Act, 1988. These amendments resulted in making women eligible for night-shift work, increasing the ceiling for overtime hours from 50 hours per quarter to 100, and repealing the liability to imprisonment for those who violated the Apprenticeship Act.²⁰⁹

As far as state disinvestment in the PSUs is concerned, on 6 August 2014, the cabinet formally approved what had already been promised by Arun Jaitley when presenting the budget. In other words the cabinet

²⁰⁷ However, the attitude of international capital was markedly less friendly than that of domestic capital. See 'Modi feels heat from credit agencies, markets on budget', *Reuters*, 11 July 2014; and 'Modi misses the mark. India's new government lacks economic vision', *Foreign Affairs*, 8 September 2014.

²⁰⁸ On India's informal economy see Elisabetta Basile, *Capitalist Development in India's Informal Economy*, London and New York, 2013. See the tables at pp. 59-65 for the statistical data on informality.

²⁰⁹ Wasantha Rupasinghe, 'Modi promotes India as world's sweatshop', *World Socialist Web Site*, 1 October 2014.

officially raised the maximum amount of foreign ownership allowed in military-equipment making firms from 26% to 49% and allowed up to 100% non-Indian ownership in railway construction companies.²¹⁰ On 10 September 2014, furthermore, Modi's government decided to bring down its stake in three PSUs: Oil and Natural Gas Corporation (ONGC), Coal India Ltd (CIL) and National Hydroelectric Power Corporation (NHPC). The government planned to sell 10% of CIL (of which it owned 89.65%), 5% of ONGC (of which it owned 68.94%) and 13.3% of NHPC (of which it owned 85.96%), realizing a total exceeding Rs. 450 billion.²¹¹

The above listed pro-business policies were supplemented by some further decisions heading in the same direction. On 2 July 2014, the Indian government decided to extend the period of validity of industrial licences from two to three years, extensible by a further two years.²¹² On 20 October 2014, the Modi government took another major economic decision, namely the introduction, through an ordinance, of a new electronic bidding system for coal mining. India is rich in coal deposits – and short in energy – but exploitation of the domestic coal resources has historically been so defective as to force India to import much of the coal needed to produce energy.²¹³ On top of that, the way in which coal blocks meant for exploitation had been allocated by the UPA governments, mainly to private companies, without auction, had been denounced by the Comptroller and Auditor General of India (CAG) in August 2012, causing a major scandal. According to the CAG, the arbitrary allocation system employed by the Government of India had caused a Rs 1860 billion loss to the exchequer. This had brought about the involvement of the CIB (Central Bureau of Investigation) and the courts. Finally, on 24 September 2014, the Supreme Court, which had previously declared illegal the allocations made between 1993 and 2010, cancelled 214 block allocations, directing CIL to take them over.

To remedy the adverse effect on domestic and, even more, international capital,²¹⁴ caused by the Supreme Court's decision, the Modi gov-

²¹⁰ 'India approves more foreign investment in defense and railways', *The Wall Street Journal*, 6 August 2014; 'Indian cabinet approves foreign investment hike in defense, railways', *Reuters*, 6 August 2014.

²¹¹ 'Many dimensions to stake sale in PSUs', *The Hindu*, 21 September 2014.

²¹² 'Govt extends validity period of industrial licence to 3 years', *The Times of India*, 2 July 2014; Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, *Press Note No. 5 (2014 series). Streamlining the Procedure for Grant of Industrial Licenses*, 2 July 2014.

²¹³ According to the Minister of Finance, the coal import bill in 2013 had touched US\$ 20 billion. 'Govt ordinance to open up coal sector to private miners, enable e-auctions', *Business Standard*, 21 October 2014.

²¹⁴ The Modi government was afraid that the Supreme Court's decision could discourage foreign capital from investing in India. During his official visit to the

ernment, while announcing that a thorough reform law on commercial mining was planned, introduced an ordinance putting up for e-auction 42 mines de-allocated by the Supreme Court, plus another 32 mines in different stages of production. As made public by the Minister of Finance, the proceeds of these auctions were to go to the governments of the states in which the mines were located. Accordingly, the major beneficiaries of the e-auctions were going to be the mineral-rich states of Jharkhand, Odisha, West Bengal and Chhattisgarh.²¹⁵ The e-commerce ordinance, introduced by the Modi government on the 20 October, was signed by the President of India the following day, thus becoming operative.²¹⁶ The ordinance, apart from breaking the logjam created by the Supreme Court's decision, had the additional advantage (from the viewpoint of the major Indian corporations) of putting in the game once again those firms which had been unduly favoured by the UPA governments. In fact, the ordinance excluded from the auction only those firms whose representatives had been convicted of an offence relating to coal block allocation and sentenced to imprisonment for more than three years.²¹⁷

On 30 October 2014, the Finance Ministry ordered a mandatory 10% cut in the centre's non-plan expenditure for 2014-15.

From the cut were exempted interest payment, repayment of debt, defence capital, salaries, pensions and Finance Commission grants to states. The cuts implied some measures which were not particularly significant from an economic standpoint, such as the prohibition of state officers from travelling first class and making use of five-star hotels for official meetings (apart from those with top foreign officials), plus a freeze on new appointments in the bureaucracy. However, the bulk of the cuts was to take the form of reduction of state subsidies on food, fertilisers and petroleum. These measures were «virtually the same» as the initiatives taken yearly by the UPA governments since 2004 and «even copied the wording of earlier directives».²¹⁸ Excluding from its purview interest payment, repayment of debt, defence capital, salaries, pensions and Finance Commission grants to states, exactly as had happened with the analogous measures taken by the UPA gov-

US in September (on which more below), Modi went at great length to convince (it seems successfully) a group of 11 top American CEOs that he would convert the Supreme Court judgment on coal blocks into an «opportunity to move forward and clean up the past». See 'Modi to America Inc: Will use SC coal order to clean up, look ahead', *The Indian Express*, 30 September 2014.

²¹⁵ 'Govt ordinance to open up coal sector'.

²¹⁶ 'President promulgates Ordinance to allow e-auction of coal blocks', *The Hindu*, 21 October 2014.

²¹⁷ *Ibid.* The ordinance stipulated that all firms which had their coal blocks cancelled by the Supreme Court, barring those convicted of offences related to allotment of mines, could bid in the e-auction after paying an additional levy.

²¹⁸ 'Jaitley follows UPA austerity ritual', *The Telegraph*, 31 October 2014.

ernments, could not but have a limited effect. Indeed, according to Nomura Securities, the well-known Japanese brokerage firm, the NDA mandatory cut brought about savings amounting to roughly 0.3% of the GDP.²¹⁹

Apart from the above listed decisions, the Modi government, but most particularly the prime minister, were careful in conveying an impression of dynamism though the continuous announcements of future reforms. Although these announcements did not translate into any concrete policy – at least in the year under review – some of them must be reported.

In July, the government started to discuss the possibility of radically amending the 2013 Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (a name which, in daily use, is usually shortened to «Land Acquisition Act»). Indeed the Land Acquisition bill had met «with incessant criticism from industrial circles»²²⁰ since it had been introduced to the Lok Sabha. So much so that, according to a well-known pro-Congress intellectual, it was that particular act which had been a main reason behind India Inc.'s decision to take sides against the Congress party.²²¹ The act, which had become operative at the beginning of 2014, had been the UPA government's answer to the active popular discontent against land grabbing by Indian and international corporations. Accordingly, the act stipulated substantial compensations for both landowners and landless farmers and introduced a mandatory consent clause demanding approval from 70-80% of affected residents for land acquisition.²²² Before the enactment of the law, local governments could transform agricultural land into industrial land, forcing owners to sell it for a pittance and expelling landless labour from it; after the enactment, all this had become impossible, pushing up the cost of buying land by two to four times. This had made it difficult to develop industrial parks, which explains the hostility towards the act of both the private corporations and many state governments. However, although the reform of the Land Acquisition Act remained in the headlines during the second half of the year, at the end of the period under review, no final decision had yet been arrived on it.

Another neoliberal reform under consideration but far from being enacted at the end of the period under review was the Factories (Amendment) bill. The bill was introduced in the Lok Sabha on 7 August 2014,

²¹⁹ *Ibid.*

²²⁰ 'India's Modinomics picks up speed on a bumpy road', *Nikkei Asian Review*, 30 October 2014.

²²¹ Aditya Mukherjee, 'Clear out the Congress Cabal', *India Today*, 2 June 2014.

²²² 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, dated 26 September 2013', *Gazette of India*, No. 30 of 2013 (<http://indiacode.nic.in/acts-in-pdf/302013.pdf>).

with the aim to remove smaller companies from the purview of various labour laws, such as the Industrial Disputes Act, the Factories Act, the Employee State Insurance Act and the Maternity Benefits Act.

On 10 September 2014, two members of the government, Commerce and Industry Minister Nirmala Sitharaman and Commerce Secretary Rajeev Kher, signalled the government's intention to reverse the taxation policy on special economic zones (SEZs) introduced by the second UPA government in 2011, by reintroducing a series of conspicuous tax breaks.²²³ However, at the end of the year under review, no decision had been taken.

Finally, the prime minister, during his public speech on Independence Day (15 August), personally made two high profile promises. The first was the vow «to strengthen manufacturing sector» by asking «all the people world over, from the ramparts of the Red Fort, «Come, make in India», «Come, manufacture in India». «Sell in any country of the world but manufacture here». The second was the promise to «replace the planning commission with a new institution having a new design and structure, a new body, a new soul, a new thinking, a new direction, a new faith towards forging a new direction to lead the country».²²⁴

The first promise was followed by the official launch, on 25 September 2014, of a «Make in India» campaign, aimed at simplifying or eliminating those bureaucratic barriers and labour and environmental regulations which made of India one of the most difficult locations in the world to start a business venture.²²⁵ The campaign aimed at involving 25 economic sectors and the ministries presiding over them in a «holistic integration of perspective on manufacturing».²²⁶ Putting it in simpler words, Modi's aim was an overhaul of state regulations and labour laws in such a way as to lure foreign entrepreneurs and companies to increase radically their investments in a country which had hitherto been considered one of the least «business friendly» in the world.²²⁷ In doing this, Modi was trying to

²²³ 'Government considering steps to revive Special Economic Zones: Commerce Minister', *NDTV*, 10 September 2014. In 2011, the government had imposed 18.5% MAT (minimum alternate tax) on the book profits of special economic zone developers and units.

²²⁴ Both quotations are from 'Full Text: Prime Minister Narendra Modi's speech on 68th Independence Day', *The Indian Express*, 15 August 2014 (<http://indian-express.com/article/india/india-others/full-text-prime-minister-narendra-modis-speech-on-68th-independence-day/>).

²²⁵ «Make in India» pitch from Sept. 25', *The Hindu*, 21 September 2014; 'PM Modi's «Make in India» campaign launch to harness efforts of 25 government departments', *The Economic Times*, 24 September 2014.

²²⁶ 'PM Modi's «Make in India» campaign launch'.

²²⁷ According to the World Bank's 'Ease of doing business index', in 2014 India ranked 142nd among the 189 countries included in the list. China was 90th and Pakistan 128th. See <http://data.worldbank.org/indicator/IC.BUS.EASE.XQ>

exploit the potential advantage for India because local wages had become «significantly lower than in China, where – in response to growing worker militancy, including a wave of strikes – companies [...] had to grant modest, but significant wage increases».²²⁸ In spite of the emphasis given to the «Make in India» campaign, at the end of the year under review little of substantial had been accomplished.

Likewise, at the end of the period under review, the promise to disband the Planning Commission and to substitute it with a different organ, more responsible to the wishes of the states, had not been fulfilled. While giving rise to an intense debate in the national media on the past record of the Planning Commission and, even more, on what should substitute it, still at the end of 2014 Modi's decision had not translated even into a clear-cut hypothesis on the structure and aims of the new organism was supposed to have. In fact, not even a new name for it had been indicated.²²⁹

6.5. *Results of Modinomics*

At the end of August 2014, official government estimates related to the three months ending in June indicated that the Indian economy had grown 5.7% from the same period in the previous year.²³⁰ Although the Minister of Finance, Arun Jaitley, claimed that this was the result of the first 100 days of the Modi government²³¹ – a claim promptly accepted by an Indian press which continued to be massively pro-Modi²³² – it is really difficult to attribute this result to Modinomics. After all, the Modi government had been sworn in on 26 May 2014 and its first significant economic decisions had been taken in the budget presented on 10 July 2014.

The official results for the following quarter (Q2 2014-15: July–August–September), released at the end of November, although an improvement when compared with the same quarter in the previous fiscal year, registered a decline when compared with the previous quarter, the GDP

²²⁸ Wasantha Rupasinghe, 'Modi promotes India as world's sweatshop', *World Socialist Web Site*, 1 October 2014.

²²⁹ E.g.: 'Planning Commission: From glorious days to an untimely end', *Rediff*, 19 August 2014; 'End of Planning Commission', *Live Mint*, 12 September 2014; 'New body replacing Planning Commission likely by January-end; Congress opposing move', *The Economic Times*, 8 December 2014; 'Planning Commission is dead, long live the new Plan!', *The Economic Times*, 17 December 2014.

²³⁰ 'Indian economy grows 5.7%, its fastest pace in more than 2 years', *The New York Times*, 29 August 2014.

²³¹ When in Tokyo. 'Q1 GDP growth at 5.7% versus 4.6% QoQ; hits 2.5-year high', *The Economic Times*, 29 August 2014.

²³² According to *The Economic Times*, the Indian economy had been 'revitalised by a decisive political mandate for the Narendra Modi-led BJP and subsequent actions by his government'. *Ibid.*

rate of growth going down from 5.7% to 5.3%. This decline was to be put down to the slow growth of the manufacturing sector (only 0.1%, compared with 3.5%) and the difficulties for the agricultural sector, brought about by a bad monsoon.²³³ However, although the GDP growth in the second quarter was lower than in the first, it nevertheless was higher than expected by most economists.²³⁴ Anyway, the rate of growth during the first two quarters of 2014-15 represented a conspicuous improvement when compared with the first two quarters of 2013-14.

During the second half of 2014, the positive news on the GDP growth front was complemented by even more positive news on inflation. The inflation rate based upon the consumer price index (CPI) declined from an average of 11.5% in the first ten months of 2013 to 6.65% in the first ten months of 2014. Moreover, the general trend in the first ten months of 2014 was downward, going from 7.24% in January to 5.5% in October.²³⁵ Particularly relevant and particularly positive was the decline of food price inflation, which in the previous years had been the main inflationary trigger: in October it was 5.6%, only marginally higher than the general CPI inflation.²³⁶ This result was all the more remarkable as it came in a year that, in spite of the positive upturn in its concluding months, on average had been characterized by an adverse monsoon season. Here, the merit for this positive development went to the Modi government, for its «deft food management», which «included open market sale of wheat and rice from its buffer stock» and «putting a lid on procurement prices».²³⁷

Not surprisingly, at the close of the year under review: «Almost all forecasters, including the Reserve Bank of India, expected GDP growth during this year [2014-15] to be at least 5.5 per cent in a range between 5 and 6 per cent».²³⁸ On its part, the think tank FocusEconomics expected the Indian GDP to grow 5.3% in the fiscal year 2014-15 and 6.1% in the year 2015-16.²³⁹ Citigroup expected India's GDP rate of growth to be around 5.6% in 2014-15 and around 6.5% in 2015-16, claiming at the same time that India had «really surprised» in 2014 and might do

²³³ 'At 5.3%, GDP growth beats estimates', *Business Standard*, 29 November 2014; 'India-GDP. Economy slows', *Focus Economics*, 28 November 2014.

²³⁴ 'At 5.3%, GDP growth beats estimates'; 'Growth prospects brighten', *The Hindu*, 7 December 2014.

²³⁵ 'Inflation India 2013', *Inflation.eu*, (<http://www.inflation.eu/inflation-rates/india/historic-inflation/cpi-inflation-india-2013.aspx>); 'Inflation India 2014', *ibid.* (<http://www.inflation.eu/inflation-rates/india/historic-inflation/cpi-inflation-india-2014.aspx>).

²³⁶ 'Rate cut call loud and clear', *The Hindu*, 23 November 2014.

²³⁷ 'The contours of economic recovery', *The Hindu*, 20 October 2014.

²³⁸ 'Tracking recovery through industrial output data', *The Hindu*, 16 November 2014.

²³⁹ 'India-GDP. Economy slows', *Focus Economics*, 28 November 2014.

so again in 2015.²⁴⁰ Finally, the *UN World Economic Situation and Prospects 2015* estimated India's GDP rate of growth at 5.4% in 2014, 5.9% in 2015 and 6.3% in 2016.²⁴¹

No doubt, all the above amounted to positive results. How much Modinomics were really responsible for them remains, however, a moot point. In the previous section it was stressed that, in Modinomics, the politics of brave announcements and promises was at least as important as the policy of concrete decisions.²⁴² It is doubtful that, by itself, the concrete steps taken by Modi and his government could cause the upturn experienced by the Indian economy in the period under review. Indeed, as shown above, there is reason to think that this positive upturn had started *before* Modi's victory. Apart from that, it is only fair to stress that, in such a complex socio-political and socio-economic setting as India, no significant reform can be implemented quickly. This, no doubt, was a fact of which Modi was well aware. Hence his politics of brave announcements and promises, which, while masking Modi's difficulties and slowness in implementing his pro-business promises, did have a beneficial placebo effect on the economy. But, possibly, the most decisive help in making Modinomics a success of sorts was the crushing down of the international cost of crude oil (see Figure 1). In a country so heavily dependent on energy imports, this fortuitous development could not but have powerful positive cascading effects on the whole economy, giving much of the substance behind Modi's politics of brave promises and announcements. Which, of course, is far from meaning that Modi did not intend to proceed at full speed, compatibly with the

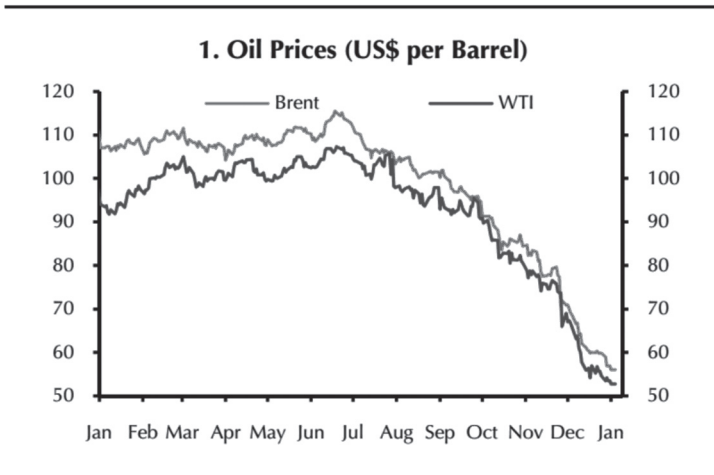
²⁴⁰ 'India surprised this year; may do so again in 2015: Citigroup', *The Hindu*, 7 December 2014. For its part Moody's was similarly optimistic. See 'India to growth 5-6 per cent in 2015: Moody's', *The Hindu*, 10 December 2014.

²⁴¹ 'India likely to improve economic growth to 6.3% in 2016: UN', *The Hindu*, 11 December 2014.

²⁴² Interestingly both critics and admirers of Modinomics, in order to make their opposing points, gave as approved some laws which were not. An example of the former is Kranti Kumara, who, while harshly criticizing it, gave as 'just passed' the Factories Amendment Act, ('India implementing raft of «pro-investor» measures', *World Socialist web Site*, 10 December 2014). Indeed, the Factories Act (Amendment) Bill 2014 was still under discussion in the Lok Sabha while this chapter was finalized. See 'Factories Act Amendment Bill being revised', *The Hindu*, 29 January 2015. An example of a Modinomics admirer being taken in by the politics of brave promises and announcements is Go Yamada (see 'India's Modinomics picks up speed on a bumpy road', *Nikkei Asian Review*, 30 October 2014). He claimed that: 'In October [2014], the government also decided to speed up project approval procedures, abolish the minimum alternative tax in special economic zones and extend the period of validity for business licenses from the current three years to seven years'. In fact, none of these measures either had been or were implemented in the period under review.

political and social hurdles he had to overcome, in implementing a set of neoliberal policies any inch of which was as invasive and non-inclusive as those he had implemented in his home state.

Table 4. Brent Crude and WTI (West Texas Intermediate) oil prices in US\$ January 2014–January 2015



Source: Mike Bird, 'How the price of oil could fall to just \$20 a barrel', Business Insider Australia, 7 January 2015 (<http://www.businessinsider.com.au/how-low-can-oil-prices-go-2015-1>)

7. State elections

During 2014 there were several state elections. The states involved were Andhra Pradesh, Arunachal Pradesh,²⁴³ Odisha (formerly Orissa), Sikkim,²⁴⁴ Maharashtra, Haryana, Jammu and Kashmir, and Jharkhand. The tables below give an overview of the results in the largest states. (The party of the new chief minister is indicated in bold; in the case of undivided Andhra Pradesh are set in bold the parties of the new chief ministers of Andhra Pradesh/Seemandhra and Telangana).

²⁴³ In Arunachal Pradesh the Congress obtained an absolute majority.

²⁴⁴ In Sikkim the Sikkim Democratic Front obtained an absolute majority.

Table 5. Andhra Pradesh – Incumbent government: Congress

	Seat won	Vote share %	Seat change
Congress	21	11.6	-135
BJP	9	8.5	+7
Telugu Desam Party (TDP)	120	29.1	+28
YSR Congress	68	28.9	NA
Telangana Rashtra Samiti (TRS)	61	14	+51
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

Table 6. Odisha – Incumbent government: BJD

	Seat won	Vote share %	Seat change
Biju Janata Dal (BJD)	115	43.4	+12
Congress	16	25.7	-11
BJP	11	18	+5
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

Table 7. Maharashtra – Incumbent government: NCP–Congress

	Seat won	Vote share %	Seat change
BJP	122	27.8	+76
Shiv Sena	63	19.3	+19
Congress	42	18	-40
Nationalist Congress Party (NCP)	41	17.2	-21
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

Table 8. Haryana – Incumbent government: Congress

	Seat won 2014	Vote share 2014	Seat change
BJP	47	33.2	+43
Congress	15	20.6	-25
Lok Dal	19	24.1	-12
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

Table 9. Jammu and Kashmir – Incumbent government: National Conference

	Seat won	Vote share %	Seat change
People's Democratic Party	28	22.7	+7
BJP	25	23	+14
National Conference	15	20.8	-13
Congress	12	18	-5
Others	6		
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

Table 10. Jharkhand – Incumbent government: Jharkhand Mukti Morcha

	Seat won	Vote share %	Seat change
BJP	37	31.26	+19
JMM	19	20.43	+1
JVM	8	9.99	-3
Congress	6	10.46	-7
AJSU	5	3.68	-1
Others	6		
Source: Election Commission of India (http://eci.nic.in/eci/eci.html)			

A brief look at Tables 5-10 reveals that, with the exception of Odisha, the story of the state elections is the story of the victory of the BJP and the defeat of the Congress. The Congress lost ground in Odisha too; however, the popularity of the incumbent chief minister, Naveen Patnaik, leader of the Biju Janata Dal (BJD), coupled with the negligible organizational strength of the BJP in the state, secured the fourth victory in a row for Patnaik's party. It is also very significant that, for the first time in India's history, the BJP obtained the relative majority of the votes in Jammu and Kashmir (India's only Muslim majority state) and formed a coalition government with the People's Democratic Party.

The results of the state elections were important for Modi and the BJP in ways that go beyond the mere conquest of some important states. First, they showed that Modi's popularity was still intact. This is extremely important as Modi's «winnability» galvanizes «vote mobilizers» that in turn multiply the BJP's chances of winning in subsequent elections.²⁴⁵ Moreo-

²⁴⁵ Pradeep Chhibber and Susan Ostermann, «The BJP's fragile mandate: Modi

ver, Modi's ability to win elections strengthens his position against his (still rather numerous) internal enemies within the BJP and in the RSS.

Second, the BJP and its allies now control the most economically dynamic areas of the country and as much as 37% of India's GDP.²⁴⁶ This is obviously important *per se*. But it is also important for the implementation of Modi's national agenda on infrastructure. The BJP now controls, for example, all the states in the Delhi–Mumbai industrial corridor.

Finally, the BJP, although enjoying a comfortable majority in the Lok Sabha, does not control the Upper House. Hence, controlling the states is crucial for gaining the control of the Rajya Sabha, since its members are elected by the state assemblies.

8. Foreign policy

During its last two years in power, the attention of the UPA government was focussed on the difficult internal situation, without much time and energy to spare for foreign affairs. During that period, no major changes were visible in India's foreign policy. However, there is no gain-saying that a certain level of unease had crept into two of India's main foreign connections: the one with the US and the one with Russia.

The reorientation towards the US had become the pole star of India's foreign policy since the fall of the USSR; in the most recent period, the key turning point in US-India relations had been the civilian nuclear agreement, realized between 2005 and 2008, which put an end to the international nuclear embargo on India.²⁴⁷ Paradoxically, however, the US, which had taken the initiative in this difficult *démarche*, had not reaped all the anticipated economic rewards, because of the passing of the Nuclear Liability Act by the Indian Parliament in 2010. Although much criticized by the opposition, as it capped the amount of liability in case of each nuclear accident at Rs. 5 billion, the Act, by allowing both the victims of a nuclear disaster and the operators themselves of a nuclear plant involved in a disaster to sue the suppliers «for tortuous and criminal liability»,²⁴⁸ effectively deterred the US nuclear companies from entering the Indian market. This was left open for French and Russian operators, which, unlike the US firms, in case of a nuclear accident could fall back on the eco-

and vote mobilizers in the 2014 general elections', *Studies in Indian Politics*, 2, 2, 2014, pp. 137-51.

²⁴⁶ '37% of GDP now in states under BJP control: what this means for economics and politics', *Indian Express*, 20 October 2014.

²⁴⁷ This had been established following a US initiative, after the Indian PNE (Peaceful Nuclear Experiment) of 1974.

²⁴⁸ Rohan Tigadi, 'Critical Analysis of the Indian Civil Nuclear Liability Act, 2010', *Social Science Research Network*, 16 May 2012 (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2254490), p. 8.

conomic help of their respective states. The situation had been made worse by the dissatisfaction of the Obama administration regarding what the US President himself considered the inability of the Indian government to push through a second generation, «big bang» neoliberal reforms, such as to open more space in the Indian market for international capital.²⁴⁹

Although, on the whole, the connection with the US remained a mainstay in India's foreign relations, the relationship between the two countries had become cold enough to make possible, in December 2013, the Devyani Khobragade incident, and the following acrimonious spat between the two governments.²⁵⁰

Russia – traditionally a close friend of India – had recovered much of its importance as India's partner and its main provider of weapons since Vladimir Putin's ascent to power in 2000. However, the US–India civil nuclear agreement, if it did not open the lucrative field of building nuclear power plants to US private capital, had made possible the steep rise in importance of the US as an arms supplier to India. Although Russia still remained the biggest arms exporter to India in term of overall numbers (75% of the weapons imported to India came from Russia), value-wise the US had taken first position since 2013.²⁵¹ In fact, the value of the weapons and weapon systems bought by India from the US had grown to such an extent that, in 2013, the South Asian country had elbowed Saudi Arabia out as the main buyer of American arms.²⁵² Also, India had further diversified the sources of its military imports, particularly by turning to France in purchasing French Rafale fighters, and to Israel, among other reasons, to procure spare parts for Russia-supplied weapon systems.²⁵³ All this had

²⁴⁹ 'India needs another wave of reforms', *The Hindu*, 15 July 2012; 'Worried Obama highlights need for Indian Reforms', *The Statesman Weekly*, 21 July 2012, p. 5.

²⁵⁰ Devyani Khobragade, then Deputy Consul General in New York, had been arrested and strip searched by the New York police, being suspected of visa fraud and false statements related to her domestic help, a woman of Indian nationality. This treatment, which ran contrary to any diplomatic propriety, had caused the reaction of the Indian government, which, in retaliation, had subjected the American diplomatic personnel in New Delhi to a series of restrictive measures.

²⁵¹ On 12 August 2014, the Indian Defence Minister, in a written reply to the Rajya Sabha, indicated that, in the three previous years, India had bought weapons from the US to the amount of Rs. 32,615 crore [326,150 million], from Russia to the amount of Rs. 25,364 crore [253,640 million], from France to the amount of 12,047 crore [120,470 million], and from Israel to the amount of 3,389 crore [33,890 million]. Weapons with an additional total value of 10,043 crore [100,430 million] had been bought from other nations. 'US pips Russia as top arms supplier to India', *The Times of India*, 13 August 2014. See also 'Hagel visits India in bid to strengthen defense ties', *The Wall Street Journal*, 7 August 2014.

²⁵² 'India becomes biggest foreign buyer of US weapons', *Financial Times*, 24 February 2014.

²⁵³ Following some incidents involving Russia built Indian MiG fighters, Russia

irritated Russia, but, to a certain extent, its loss to the US, France and Israel of an increasing share of India's arms market had been counter-balanced by India's support for Russia's «legitimate interests» in Crimea and Ukraine.²⁵⁴ Accordingly, as in the case of the India-US relationship, the India-Russia alliance – although less warm than in the past – had remained in place as a mainstay in India's foreign policy.

Only in two fields had India's foreign policy continued to show considerable dynamism even in the second half of the second UPA government: the first was the relationship with Japan, which continued to grow increasingly close and cordial; the second was Delhi's spirited fight inside the World Trade Organization (WTO) for the safeguarding of India's national interests.²⁵⁵

During the first half of 2014 and up to the formation of the Modi government, on one hand, no new developments occurred in the field of India's foreign policy, and, on the other hand, foreign policy – as is generally the rule in Indian electoral politics – was conspicuous by its absence as a topic of debate in the electoral campaign.²⁵⁶ This suddenly changed at the moment itself of the swearing in of the new Modi government. In fact, the heads of state of the other SAARC (South Asian Association for Regional Cooperation) countries, the prime minister of Mauritius and the head of the Tibetan government in exile were invited to the ceremony (26-27 May 2014).²⁵⁷

This move – widely seen as aimed at starting friendlier and closer relations with the neighbouring countries – was only the opening one in a kind of international campaign with two main goals: projecting India as a major world power and getting international support and cooperation in promoting and accelerating India's economic development. This inter-

had acidly commented that Indian MiG fighters would stop crashing when India stopped buying 'counterfeit (spare) parts' from Israel. 'Putin's visit could help sort out glitches in India-Russia defence ties', *Times of India*, 9 December 2014.

²⁵⁴ 'India backs Russia's «legitimate interests» in Ukraine', *The Diplomat*, 8 March 2014.

²⁵⁵ On India-Japan relations see: Peter Lee, 'India places its Asian bet on Japan: Roiling the waters of the Asia-Pacific', *The Asia-Pacific Journal*, 11, 24, No. 3, 17 June 2013; P.K. Sundaram, 'The emerging Japan-India relationship: Nuclear anachronism, militarism and growth fetish', *The Asia-Pacific Journal*, 11, 22, No. 1, 2 June 2013. On India and the WTO, see Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', pp. 156-59.

²⁵⁶ In recent times, the only exception to this rule is represented by the 2009 general election, when the Left Front parties spent a great deal of energy in criticizing the India-US civil nuclear agreement. The results, however, were highly disappointing. On the 2009 general election, see Torri, 'L'India nell'anno del trionfo del Congresso', pp. 80-97.

²⁵⁷ 'India: Modi's neighborhood overtures', *The Diplomat*, 8 June 2014; 'Modi invite to PM-in-exile thrills Tibetans', *The Times of India*, 27 May 2014.

national campaign – it is worth stressing – was primarily led by the new prime minister in person, while the Minister of Foreign Affairs, Sushma Swaraj, was relegated to managing the daily bureaucratic routine of her ministry and carrying out some of the foreign visits of less import.

In the period up to the end of the year under review, the new prime minister took part in no less than 10 state visits and/or major international conferences, and hosted no less than eight visits of prime ministers or heads of state of foreign powers (see Table 11), which made of him the most active Indian premier in foreign policy since Rajiv Gandhi's time.

This intense diplomatic activity can be described as mainly – even if not exclusively – organized around two principal axes: the US–WTO–Russia axis and the China engagement/China containment axis. Its two main goals, as noted above, were: the acceptance of India at the international level as a major world power; and the acquisition, from the other major world countries, of direct investments, technological know-how and, more generally, any economic means necessary to speed up the growth of India's economy. However, before focussing our attention on the pursuit of these objectives, it is necessary to return very briefly to the Modi government's oath-taking ceremony and the meaning of the above quoted invitations to heads of states and heads of government.

As mentioned above, that ceremony was widely seen as aimed at starting friendlier and closer relations with the neighbouring countries. However, on closer examination, the rationale beyond that move seems to be different. Indeed, the hypothesis can be made that, according to RSS ideology, those invitations were aimed at stressing India's hegemonic relationship with the other SAARC countries plus the Maldives. Namely, at stressing India's position as paramount power in the geo-political space that, according to Hindu nationalist ideology, has historically been, and should be, part of India.

In fact, what Modi had in mind appears to have been the establishment of a set of bilateral relations based less on the principle of good neighbourhood than on the acceptance of India's hegemony. This soon became visible in the evolution of the relationship with Pakistan. After the invitation of Pakistan's President Nawaz Sharif to the swearing-in ceremony, the icy relations between the twin South Asian enemy countries had appeared to be heading towards a thaw. Modi had expressed words of sympathy for the victims of the recent floods in the Pakistani part of Kashmir, while Sharif had reciprocated by sending mangoes as a gift to Modi. However, this bonhomie suddenly evaporated when, on 18 August 2014, the Indian government cancelled the already planned foreign secretary-level talks with Pakistan. The reason for this move was the decision by Pakistan's High Commissioner in New Delhi, Abdul Basit, to meet Hurriyat leaders,²⁵⁸ according to a practice that had been tolerated by the

²⁵⁸ The All Parties Hurriyat Conference (APHC) is an alliance of 26 political, social

previous Indian governments.²⁵⁹ By then the Hurriyat – which had suffered a series of internal splits – enjoyed a limited political relevance. In spite of this, and in spite of the just noticed fact that the previous Indian governments, although objecting to these meetings, had never imposed any anti-Pakistan sanction, New Delhi's decision was to put a stop to the recently renewed dialogue with Islamabad. This was as clear cut an indication as any that New Delhi, rather than negotiating with Islamabad on a position of parity, was interested in showing Pakistan – namely the only other South Asian state which, although far from having the same political weight as India, was not a lightweight – who was the dominant power in South Asia.

Table 11. A non-exhaustive list of Modi's state visits abroad and of foreign dignitaries' state visits to India in 2014

Dates	Modi's visits abroad	Visits from foreign dignitaries
8–9 June		China's Foreign Minister Wang Yi visits India
16–17 June	Modi visits Bhutan	
13–16 July	Modi visits Brazil and takes part in the BRICS conference at Fortaleza	
30 July–1 August		US State Secretary John Kerry visits India
3–4 August	Modi visits Kathmandu (Nepal)	
7–9 August		United States Secretary of Defence Chuck Hagel visits India
30 August–3 September	Modi visits Kyoto and Tokyo (Japan)	

and religious organizations created on 9 March 1993 as a political front which, according to its own constitution, aims, through peaceful struggle, to obtain the exercise of the right of self-determination for the people of Jammu and Kashmir, in accordance with the UN Charter and the resolutions adopted by the UN Security Council. The Hurriyat Constitution states that the right of self-determination also includes the right of independence and that, in order to arrive at a negotiated settlement, all three parties involved in the Kashmir dispute – India, Pakistan and the Kashmiri people – should take part in the negotiations.

²⁵⁹ 'India calls off foreign secretary level talks with Pakistan', *Dawn*, 18 August 2014.

4–5 September		Tony Abbott, Prime Minister of Australia, visits India
11–12 September	Modi takes part in the SCO meeting at Dushanbe (Tajikistan)	
17–19 September		Chinese President Xi Jinping visits India
26–30 September	Modi visits the USA and takes part in the UN general assembly	
27–28 October		Nguyen Tan Dung, Prime Minister of Vietnam, visits India
4 November		Daniel Kablan Duncan, Irish Prime Minister, visits India
11–13 November	Modi visits Naypyidaw (Myanmar) and takes part in the East Asia Summit	
14–18 November	Modi visits Brisbane, Canberra, Melbourne and Sydney (Australia) and takes part in the G20 summit	
19 November	Modi visits Suva (Fiji)	
25–27 November	Modi visits Kathmandu (Nepal) for the SAARC summit	
10–11 December		Russian President Vladimir Putin visits India
Sources: Indian and international press; Indian Ministry of Foreign Affairs		

8.1. *The US-WTO-Russia axis*

For quite some time after the 2002 Gujarat anti-Muslim pogrom, Narendra Modi had been kept at arm's length by the Western countries. However, parallel with the rise of Modi's political star in India, the anti-Modi wall in the West had started crumbling.²⁶⁰ The US – which had can-

²⁶⁰ The first Western nations to end the ban on Modi had been Denmark and Sweden in 2008; Great Britain, France and Germany had followed suit in 2012. Harsh V. Pant, 'Modi's unexpected boost to India-U.S. Relations', *The Washington*

celled Modi's visa in 2005 – had been the last important nation to move away from its former anti-Modi position; eventually, in February 2014, namely before the conclusion of the Indian general election campaign, US Ambassador Nancy Powell had visited Modi, ending a nine-year boycott.²⁶¹

Immediately after Modi's victory, before the oath-taking ceremony, US President Barack Obama had congratulated the new Indian prime minister on the phone, inviting him to visit the United States in September.²⁶² This had been followed by US Secretary of State John Kerry's statement on 20 May 2014, publicly congratulating Modi and pointing out that the US stood «ready to work closely» with the new Indian premier «to promote shared prosperity», namely economic cooperation, and «strengthen our security», namely bringing India more firmly into the arc of containment which the US was building around China.²⁶³ This had been followed by the official announcement (28 July 2014) that Kerry would visit New Delhi for the 5th US-India Strategic Dialogue and meet the new Indian prime minister, heading an important delegation, which included US Secretary of Commerce, Penny Pritzker.²⁶⁴

Nevertheless, already before the official announcement of Kerry's visit to New Delhi, the new Indian government took a momentous decision bound to irritate the US. At the WTO ministerial conference held in Bali in December 2013, a consensus had been reached on a Free Trade Agreement (FTA), namely a trade facilitation agreement aimed at reducing and standardizing customs and simplifying related bureaucratic rules. Once implemented by all the WTO countries, the agreement would reduce the total costs of trade between 13 and 15% for developing countries, and more than 10% for developed countries, creating an estimated number of 21 million new jobs and adding approximately USD one trillion to the global economy.²⁶⁵

Already at Bali, reaching the agreement – the first in the 19-year existence of the WTO – had been made difficult by India's insistence on a parallel pact. This pact would allow developing countries to subsidize and stockpile foodgrains for food security reasons, in amounts potentially

Quarterly, 37:3, 2014, p. 96.

²⁶¹ 'Ambassador Nancy Powell meets Narendra Modi, ends 9-year US boycott', *DNA*, 13 February 2014.

²⁶² 'Barack Obama's phone call ended frosty ties with Narendra Modi: Kathleen Stephens', *The Economic Times*, 20 August 2014.

²⁶³ The quotations are from 'Narendra Modi named Prime Minister of India', *Wall Street Journal*, 20 May 2014; their interpretation is that of the present authors.

²⁶⁴ U.S. Department of State, 'Secretary Kerry Travel to New Delhi for Strategic Dialogue', Jen Psaki's Press Statement, 28 July 2014.

²⁶⁵ 'India's resistance to key trade agreement deal «major blow» to WTO', *Deutsche Welle*, 1 August 2014; 'Assessing the impact of the US-India food security deal', *Deutsche Welle*, 13 November 2014.

bigger than that sanctioned by WTO rules. According to these rules, the value of subsidies aimed at maintaining public stockholding of foodgrains could grow only up to 10% of the value of agricultural production, calculated with reference to 1986-88 prices. Breaking through that ceiling would invite heavy financial sanctions.

This was an impending risk for India, particularly after the enactment, on 12 September 2013, of the Food Security Act, which was bound to raise food subsidies.²⁶⁶ Hence, in December 2013, at Bali, Anand Sharma, then India's Industry and Commerce Minister, heading the so-called G-33 group,²⁶⁷ had fought a spirited battle to gain a «peace clause», namely an agreement that, while standing, would suspend any legal challenge to the food subsidy policy of any WTO country.

Eventually, a four-year «peace clause» had been agreed, a clear victory for India, but only a tactical one. In fact, in 2017, the whole question was to be examined once again, without any assurance that India could win the war, namely to be exempted from the ceiling on food stockholding and food subsidies.²⁶⁸

This being the situation, Narendra Modi, in one of his first decisions as premier, rather than waiting for 2017, decided immediately to rejoin battle on the issue. Clearly, he had come to the conclusion that it was better to confront a challenge which, anyway, he was bound to face in 2017, while enjoying all the political strength given to him by his recent and conspicuous electoral victory.

On 21 July 2014 – some days in advance of Kerry's arrival in New Delhi, and 10 days before the deadline set for the final ratification of the Bali agreement by the WTO nations – the news started to circulate that, unless a more satisfactory solution was found for the problem of allowing developing countries to maintain their food-security-related public stockholding of foodgrains, India would not ratify the FTA.²⁶⁹ As ratification by all the 153 WTO countries was imperative for the FTA becoming part of the WTO rules, this meant that India was ready to kill the agreement (and, as a result, possibly the WTO itself), unless it got its way.

In challenging the WTO consensus, Modi was possibly betting on the fact that his decision, although bound to trigger the ire of the US, was of less import to the Obama administration than the need to «reboot» the US–India connection. If that was Modi's wager, it undoubtedly paid off.

²⁶⁶ On the political and legislative process leading to the Food Security Act, see M. Torri, 'L'India nell'anno della legge sulla sicurezza alimentare', pp. 98-121.

²⁶⁷ In fact, the G-33 was a grouping of 46 developing nations including China and Indonesia. See 'Food security non-negotiable: Anand Sharma', *The Hindu*, 4 December 2013.

²⁶⁸ On the Bali agreement, *ibid.*, pp. 156-59.

²⁶⁹ 'India willing to stall WTO deal to ensure food security for all', *Hindustan Times*, 24 July 2014.

The decision not to sign the Bali agreement unless the agricultural subsidies question was satisfactorily resolved did trigger the ire of most WTO member states. In fact, the situation became so tense that rumours started to circulate that the consensus principle on which the WTO operated could be given up in favour of a policy of partial agreements, which would «leave behind those that don't want to come along».²⁷⁰ Kerry himself, at the end of his visit in Delhi, let the US displeasure be known, through the statement of a US State Department official.²⁷¹ However, India did not budge in spite of «tremendous pressure from other WTO members».²⁷²

Certainly, it is a fact that, notwithstanding Kerry's warning, India's stand at the WTO did not seem to affect the ongoing blossoming of the Washington–New Delhi relationship. The same US State Department official who had conveyed Kerry's warning about India's decision not to ratify the FTA nevertheless stressed that the Kerry–Modi meeting had been «strong and positive».²⁷³ In fact, Kerry's visit was closely followed by that of US Defence Secretary Chuck Hagel (7–9 August 2014), which highlighted the growing importance of the huge US arms sales to India and signalled the possible injection of US investments in the burgeoning India defence sector.²⁷⁴ This was followed, in September, by the sending of a team of the Indian Defence Ministry to Washington, «reportedly with the aim of finalizing details for Indo-US joint production of the third generation Javelin anti-tank missile».²⁷⁵

All these diplomatic exchanges, although significant, were only the prelude to the crucially important official visit by Narendra Modi. A politician who, only one year before, was unable to obtain a visa to enter the US, now went to a five-day long official visit in that same country, receiving red carpet treatment from the US authorities and a rousing reception from the bulk of the influential, 2.8 million strong Indian-American community.²⁷⁶

During his visit Modi had two main objectives: attracting US private investment to India and renewing and expanding defence cooperation between the two countries. Modi pursued the former objective by meeting the

²⁷⁰ 'Disappointment, uncertainty after India blocks WTO trade deal', *Reuters*, 1 August 2014.

²⁷¹ 'Failure to sign the Trade Facilitation Agreement – declared a State Department official – sent a confusing signal and undermined the very image Prime Minister Modi is trying to send about India'. See 'India refusal on WTO deal a wrong signal: John Kerry to Narendra Modi', *DNA*, 1 August 2014.

²⁷² 'Assessing the impact of the US-India food security deal'.

²⁷³ 'India refusal on WTO deal a wrong signal'.

²⁷⁴ 'US Secretary of Defense Chuck Hagel visits India', *The Diplomat*, 8 August 2014.

²⁷⁵ Keith Jones, 'US elite rolls out red carpet for Indian PM Modi', *World Socialist Web Site*, 30 September 2014.

²⁷⁶ For a detailed chronicle of Modi's US visit, see 'Narendra Modi: The million dollar US visit', *The Free Press Journal*, 1 October 2014.

CEOs (Chief Executive Officers) of several leading organizations both in New York and Washington. During these meetings, Modi successfully strived to convince the representatives of «America Inc.» that, in India, times had changed, «archaic» labour laws and bureaucratic impediments to the full deployment of international capital were on the way out, and, on top of it all, India was now ready to discuss modifications to its nuclear liability act.²⁷⁷

The objective of renewing and expanding defence cooperation was arrived at through the renewal of the 2005 cooperation agreement for an additional 10-year period and the decision by the US to make available advanced military technology to the Indian navy.²⁷⁸ Moreover, in the joint declaration that concluded Modi's visit, it was stated that the US and India would «treat each other at the same level as their closer partners» on questions such as «defense technology, trade, research, co-production and co-development».²⁷⁹ Finally, the two countries, in a statement clearly aimed at China, stressed their support for freedom of navigation in the South China Sea.²⁸⁰

Modi's triumphal visit was capped by his «wonderful» meeting with Barack Obama on 29 September 2014,²⁸¹ followed the next day by the quite unprecedented publication in *The Washington Post* of a joint editorial by the US president and the Indian premier.²⁸²

While Modi was visiting the US, the WTO question had resurfaced as a matter of preoccupation for US entrepreneurs.²⁸³ However, Modi had reiterated India's stand in a speech at the Council on Foreign Relations, saying that, while India was not against a trade facilitation agreement, it could not but take into account the welfare of its poor people. This, in

²⁷⁷ Modi had signalled his decision to modify the Nuclear Liability Act already on the eve of his departure for the US. See 'Nuclear liability law signal before take-off for US', *The Telegraph*, 26 September 2014. Concrete steps in that direction were taken after his US trip. See 'Private firms to join US nuke talks', *The Telegraph*, 17 October 2014. On the topic, see also 'Nuclear liability laws strain U.S.-India energy policy', *The Washington Times*, 30 September 2014. More generally, on the interaction between Modi and the leading US CEOs see: 'Power-pitch to U.S. CEOs', *The Hindu*, 30 September 2014; 'Modi promises U.S. CEOs a return to market reforms', *Reuters*, 30 September 2014; 'US elite rolls out red carpet'; 'Modi to America Inc: Will use SC coal order to clean up, look ahead', *The Indian Express*, 30 September 2014; 'Upbeat mood persists after Modi visit', *The Hindu*, 3 October 2014.

²⁷⁸ Pant, 'Modi's unexpected boost', p. 107.

²⁷⁹ *Ibid.*

²⁸⁰ *Ibid.*

²⁸¹ The expression is that of Modi himself. E.g. 'Wonderful meeting Obama, says Modi after «Kem Chho» greeting', *Deccan Herald*, 30 September 2014.

²⁸² Narendra Modi and Barack Obama, 'A renewed US-Partnership for the 21st century', *The Washington Post*, 30 September 2014.

²⁸³ 'Modi promises U.S. CEOs a return to market reforms', *Reuters*, 30 September 2014.

turn, made it imperative for India that the agreements on trade facilitation and food security be secured together.²⁸⁴

In spite of the persistence of the WTO hurdle, some of the most perceptive India-watchers were convinced that, behind the scenes, India and the US were working together on brokering a compromise on the FTA.²⁸⁵ That, indeed, some kind of behind-the-scenes negotiation had been going on became clear on 13 November 2014, when India and the US announced that they had reached an agreement on the WTO question. More than a compromise, however, the India-US agreement was an unqualified acceptance of India's position. In fact, in exchange for India's ratification of the FTA and waiting for a final solution of the food stockpiling subsidies, the «peace clause» would now have an indefinite timeframe.²⁸⁶

Clearly, Modi's bet had paid off: economic and strategic cooperation with India was more important for the US than keeping faith with the neoliberal orthodoxy prohibiting food subsidies to agriculture. Of course, the bilateral US–India agreement had to be accepted by the WTO; but, given the US's clout in the organization, the end result was not in doubt. In fact, on 27 November 2014, the WTO's General Council «unequivocally» agreed to the indefinite «peace clause»; the fact that on the same occasion 31 December 2015 was set as the deadline to find a permanent solution for public stockholding for food security purposes was only a convenient fig leaf to cover the WTO's complete surrender to India.²⁸⁷

Of course, this agreement represented a major political victory for India, but most particularly for Narendra Modi, who had decided to challenge the majority of the WTO member states and had been successful. Indeed it was such a complete victory as to make some observers wonder how it could have been reached without any concession in return.²⁸⁸

In reality, a potentially conspicuous cost – although an indirect one – brought about by the WTO victory and the increasingly close relationship with the US could be the deterioration of India's relationship with Russia, historically India's oldest and most faithful ally. In fact, Russia had followed with growing unease both the upgrading of the New Delhi–Washington relationship and the US cornering an increasingly huge share

²⁸⁴ *Ibid.* and 'PM's address and interaction at Council on Foreign Relations in New York', 29 September 2014 (http://pmindia.gov.in/en/news_updates/pms-address-and-interaction-at-council-on-foreign-relations-in-new-york-city-2).

²⁸⁵ 'Modi seeking to revive US investment in India', *Deutsche Welle*, 26 September 2014.

²⁸⁶ 'Assessing the impact of the US-India food security deal'.

²⁸⁷ 'Success at WTO without any compromise: Nirmala Sitharaman', *The Hindu*, 28 November 2014.

²⁸⁸ See, for example, the hardly disguised disbelief of Remya Nair and Elizabeth Roche, the two authors of 'India, US resolve WTO food security row', *Live Mint*, 13 November 2014, who wrote of a deal won without any major concessions, 'at least, not to public knowledge'.

of the Indian weapons market.²⁸⁹ Moreover, Russia – hemmed in by Europe and subjected to the US and EU sanctions because of its Ukraine policy – was clearly afraid that India's support could ebb away, leaving an increasingly isolated Russia over-dependent on Chinese support.²⁹⁰

These preoccupations were however put to rest by the short but extremely successful visit by Russian President Vladimir Putin on 10–11 December 2014, when 20 agreements «worth billions of dollars» were signed.²⁹¹ The contract between the Indian Department of Atomic Energy and Russia's Rosatom – aimed at building 12 nuclear reactors, beyond the two already under construction at Kudankulam, by 2035 – was among the most noteworthy among these agreements. Also worth noticing was the agreement between India's Essar and Russia's Rosneft, engaging the latter to supply 10 million tons of crude oil annually at a discount price. Moreover, Indian companies signed a 2.1 billion US dollar pact to source rough diamonds directly from Russia's mining giant Alrosa (one of the main diamond producers in the world) to Indian polishing and cutting firms, without going through the main diamond hubs, such as Antwerp and Dubai. Finally, Russia showed itself to be open to the Modi-sponsored «Make in India» campaign, agreeing to produce in India and export from there 400 Mi-17 medium lift and Ka-226 light utility helicopters to the tune of 400 helicopters a year, and make in India the nuclear components for the 12 new Russian-built reactors.²⁹² Finally, another topic very much present in the Modi–Putin interaction was the necessity to address the problem of either supplying or manufacturing in India spare parts for Indian weapons of Russian origin. That was a crucial problem because India still maintained 60–70% of its defence inventory from Russia hardware.²⁹³

This being the situation it does not come as a surprise to find Narendra Modi's declaration (11 December 2014) that Russia was to remain

²⁸⁹ 'Should Russia worry about Modi's U.S. visit?', *Russia & India Report*, 1 October 2014.

²⁹⁰ In spite of this, in November, Russian Defence Minister Sergei Shoigu went to Pakistan and signed a 'milestone' military agreement with his Pakistani counterpart. 'Pakistan, Russia sign «milestone» military cooperation pact', *The Express Tribune*, 20 November 2014. That was possibly a way to jog India's attention to the danger of isolating Russia.

²⁹¹ 'Testing times for India-Russia ties', *The Hindu*, 13 December 2014.

²⁹² 'Modi to Putin: Russia to stay India's top defence partner', *Reuters*, 11 December 2014; 'Russia India: Putin agrees to build 10 [sic] nuclear reactors', *BBC News India*, 11 December 2014; 'Sanctions-hit Putin seals energy deals in India', *Daily Mail*, 11 December 2014; 'Vladimir Putin's productive India visit', *The Diplomat*, 12 December 2014.

²⁹³ 'Testing times for India-Russia ties', for the higher estimate and 'Russia need not worry as India-US ties poised for higher trajectory', *RT.com*, 11 August 2014 for the lower one.

India's «top defence supplier» and that the importance of the India-Russia relationship and «its unique place in India's foreign policy will not change».²⁹⁴ Also Modi reassured Putin that India would continue to oppose Western sanctions against Russia.²⁹⁵ Both the multi-million-dollar agreements and Modi's political assurances to Putin were the clear cut demonstration that India's increasingly close entente with the US would not come at Russia's expense.²⁹⁶

8.2. *The China-engagement/China-containment axis*

The other main axis around which Narendra Modi's foreign policy has been organized is the relationship with the People's Republic of China. This was a relationship which had two different aspects: engagement and containment. During the period under review, it became clear that, if, on one hand, Modi was interested in strengthening and rebalancing the economic connection with India's giant neighbour in the North, on the other hand he perceived China as a military and political threat, which had to be put under control.

All this became evident in due course. At the moment of Modi's electoral victory, however, the way in which he would deal with China was anybody's guess. On one side there was the fact that, while the major Western countries had banned Modi, China had welcomed him with open arms. In fact Modi, who had already been to China once before becoming Gujarat chief minister, in that capacity officially visited it three times (in 2006, 2007 and 2011), always being received with the highest honours. Indeed, in the years of Modi's chief ministership, economic relations between China and Gujarat flourished. It is true that, during the electoral campaign, while in Arunachal Pradesh (the Indian state that China reclaims as «South Tibet»), Modi decried China's expansionist mindset. However that had been explained away by Chinese authorities as electoral campaign rhetoric. In fact, Modi's election had been greeted with considerable satisfaction by China, and one Chinese commentator had gone so far to hypothesize that the newly elected Indian prime minister was «likely to

²⁹⁴ 'Modi to Putin: Russia to stay India's top defence partner'; 'Putin pledges oil, weapons and nuclear power for Modi in India', *Bloomberg*, 11 December 2014.

²⁹⁵ 'Putin pledges oil, weapons and nuclear power'.

²⁹⁶ Another clear cut hint in the same direction was the fact that the Prime Minister of Crimea, Sergey Aksyonov arrived in India on Putin's flight, to establish contacts with Indian businesspeople. Officially, Aksyonov was not a member of Putin's delegation and, according to a Ministry of Foreign Affairs spokesman, the Indian government was 'not officially aware' of his visit. See 'Crimean PM meets Indian business group in New Delhi during Putin visit', *The Hindu*, 11 December 2014. But, of course, it is difficult to think that the visit could have been arranged without the Indian government's previous knowledge and assent.

become India's Nixon». ²⁹⁷ On the other hand, those same Indian big businessmen which had so powerfully and decisively supported Modi in his elevation to the prime ministership were clearly in favour of the rebooting of India-US ties and the continuation of India-Japan ties. ²⁹⁸ In other words, they were in favour of a policy which could not but alarm Beijing. To this it must be added that the RSS leadership was traditionally hostile to China and that, by and large, Indian public opinion had consistently been against China at least since the 1962 Sino-Indian war.

China's Prime Minister Li Keqiang, within three days of Modi's victory, was the first head of government to phone him. This was followed by a two-day visit in New Delhi (8–9 June 2014) of China's Foreign Minister Wang Yi, aimed at preparing for the visit of Chinese President Xi Jinping. ²⁹⁹

However, even before Wang set foot in India, Modi had signalled that any China engagement policy on his part would come accompanied by a series of conditionalities. The first signal had been the induction in the new government of former General V.K. Singh as Minister of State of External Affairs and Minister of State (independent charge) for the North East Region, and the choice of former master spy Ajit Doval as National Security Advisor. V.K. Singh, who was in charge of that same Arunachal Pradesh reclaimed by China as «South Tibet», was a well-known hawk on security issues, who had never concealed his aversion to China; on his part, Doval was known for his proximity to the Tibetan cause. ³⁰⁰ A second even more evident signal had been the above quoted invitation to the new Indian government swearing-in ceremony, along with the heads of state of the SAARC countries, the prime minister of the Maldives, and Lobsang Sangay, prime minister of the Tibetan government-in-exile from 27 April 2011.

Xi Jinping's visit to India was planned for mid-September, rather later than desired by China. ³⁰¹ Meanwhile, before Xi's journey to India, Modi made three visits abroad, which were relevant in understanding – and making observers understand – where the new Indian prime minister really stood on the China question. Modi visited Bhutan on 16-17 June, and

²⁹⁷ M.K. Bhandrakumar, 'Himalayan handshake for India's Modi', *Asia Times*, 5 June 2014. The reference was to the Republican US President who, in spite of being a right wing politician, had started the new phase of US-China engagement. See also Jonathan Ward, 'Chinese analysts interpret Modi's new India', *China Brief*, 14, 12, 19 June 2014.

²⁹⁸ Bhandrakumar, 'Himalayan handshake for India's Modi'.

²⁹⁹ Jayadeva Ranade, 'Fresh overtures – Chinese Foreign Minister's India visit', *Centre for China Analysis & Strategy*, 11 June 2014; 'China: Foreign Minister's India trip has «great significance»', *The Diplomat*, 11 June 2014.

³⁰⁰ Bhandrakumar, 'Himalayan handshake for India's Modi'.

³⁰¹ R. Hariharan, 'Strategising India's foreign policy', *Chennai Centre for China Studies*, 2 December 2014.

Nepal on 3-4 August. Significantly, both Bhutan and Nepal are Himalayan countries which share their borders only with China and India. In both cases it was clear Modi's intention to bring those countries more firmly inside the Indian orbit, in competition with China. More relevant, however, was the third visit, which took Modi to Japan from 30 August to 3 September 2014, namely to a country whose relationship with China had been steadily and conspicuously worsening in recent years.

As remarked above, India-Japan ties had been flourishing under the UPA government, including its terminal period. Moreover, as in the case of China, Modi was no foreigner to Japan, which he had visited twice as Gujarat chief minister. Moreover, it seems, the new Indian prime minister enjoyed a close personal connection with Japan's prime minister Abe Shinzō.³⁰² This being the situation, Modi's visit to Japan was an almost total success. Japan promised to invest USD 35 billion in India over the next five years and double its FDI (Foreign Direct Investment) during the same period. Energy cooperation and military ties were upgraded. A «two-plus-two» security arrangement, namely regular meetings between foreign and defence ministers, was decided. Also an agreement was signed, concerning the joint production of rare earths, a group of 17 chemically similar elements crucial to the manufacturing of many hi-tech products, including mobile phones, hybrid cars, wind turbines and guided missiles. In nature, rare earths are indeed less rare than one might assume from their name; but their extraction is difficult and polluting, and, to a large extent, monopolized by China, from where Japan used to supply its needs. However, the worsening of the Japan-China relationship had brought about a diminution of China rare earth exports to Japan and Japan's effort to diversify its sources.³⁰³ Accordingly, the help of India, which owns 2.2% of the world's known reserves, was welcomed. The agreement signed between Indian Rare Earths, a wholly owned subsidiary of the Indian Department of Atomic Energy, and Japan's Toyota Tsusho Corporation was aimed at producing between 2000 and 2300 tons of rare earths in India, to be preferentially exported to Japan, thus fulfilling around 15% of the Japanese demand.³⁰⁴

The only visible snag in the successful outcome of Modi's visit was

³⁰² 'New Dynamics', *Outlook*, 31 July 2014. In this chapter, Japanese family names are given first.

³⁰³ 'Amid tension, China blocks vital exports to Japan', *The New York Times*, 22 September 2010; Amy King and Shiro Armstrong, 'Did China really ban rare earth metals exports to Japan?', *East Asia Forum*, 18 August 2013; 'Japan loosens China's grip on rare earths supplies', *Reuters*, 4 September 2014.

³⁰⁴ 'Japan, India to jointly produce rare earth metals for export to Japan', *The Japan Times*, 29 August 2014. The fact that this agreement built on a previous one signed by the UPA government ('Japan signs pact to import rare earths from India to reduce reliance on China', *The Economic Times*, 16 November 2012) was conveniently forgotten by the Indian media.

his inability to finalize a nuclear energy agreement with Japan. At least for the time being, that was prevented by the Japanese public opinion's sensitivity in relation to the fact that India was an atomic-weapons state which had neither signed nor intended to sign the NPT (Non Proliferation Treaty) and other nuclear weapons controlling agreements.³⁰⁵

Undoubtedly, Modi's visit strengthened the Japan–India entente; and this was an entente which could be read as aiming, among other things, at containing China. The impression that, while waiting for Xi Jinping's visit, Modi had actively been promoting an India-sponsored arc of containment around China was further reinforced by the official visit to India of Australia's prime minister, Tony Abbot, who landed in Delhi the day after Modi's return from Japan. During his two-day visit, Abbot signed an agreement (5 September 2014), engaging Australia to export uranium ore to India. This agreement was accompanied by the announcement of plans to increase security cooperation between India and Australia.³⁰⁶

It was in this rather inauspicious context that Xi Jinping's «landmark visit to India» took place. It started with Xi's arrival not in New Delhi, but, in a highly symbolical move, in the capital of Gujarat, Ahmedabad, on 17 September 2014, namely Narendra Modi's 64th birthday.³⁰⁷ Xi's arrival was followed by the signing of a host of economic agreements between the two countries and China's engagement to invest USD 20 billion for a fast train corridor and a new strategic road in the next five years. Although a sum decidedly inferior to that promised by Japan only a couple of weeks before – and much lower than «over 100 billion dollars» hinted at by the Chinese consulate in Mumbai only days earlier – it represented a dramatic improvement over the USD 400 million invested by China in India during the previous *ten years*. On top of that, China agreed to spend a further USD 6.8 billion on the construction of two industrial parks, one in Gujarat and one in Maharashtra. Finally 24 Chinese companies engaged to buy pharmaceuticals, farming and other India-made products, for an additional USD 3.6 billion.³⁰⁸

³⁰⁵ Gauri Khandekar, 'Modi's foreign policy mantra: geoeconomics, regional hegemony, global aspirations', *Agora Asia-Europe*, No. 17, November 2014, pp. 3–4. On the difficulties in India–Japan nuclear relations see: Ankit Panda, 'The nuclear problem in India–Japan relations', *The Diplomat*, 31 October 2013; Bhaskar Balakrishnan, 'The nuclear thorn in India–Japan ties', *Business Line*, 5 September 2014 David Brewster, 'Japan may not be such an easy pushover on nuclear deal with India', *East Asia Forum*, 26 September 2014.

³⁰⁶ Peter Symonds, 'Australia–India uranium deal strengthens economic and strategic ties', *World Socialist Web Site*, 6 September 2014.

³⁰⁷ 'PM Modi welcomes Xi Jinping in Ahmedabad; India, China sign 3 pacts', *Times of India*, 17 September 2014.

³⁰⁸ 'Xi Jinping's landmark visit to India', *Deutsche Welle*, 19 September 2014; 'Who sabotaged Chinese President Xi Jinping's India visit?', *Forbes*, 23 September 2014.

These agreements signalled the existence of the reciprocal desire by Modi and Xi to strengthen and upgrade the economic ties between the two giant neighbours. Also, they seemed to open the path to a more cordial relationship between the two countries. However, in the late afternoon of 18 September 2014, the news became known that some 1000 Chinese soldiers had intruded beyond the LAC («Line of Actual Control», namely the provisional India-China border) in southern Ladakh. Modi, while dispatching troops on the spot, asked Xi – who, by the way, is the supreme commander of the People’s Liberation Army – to withdraw Chinese troops.

In spite of Xi’s assent to Modi’s request, the following day – the one concluding Xi’s Indian visit – Chinese troops were still on the Indian side the LAC.³⁰⁹ It comes as no surprise that the cordial atmosphere between the two leaders suddenly turned icy, and, in a «rather strong way to express to the world their lack of agreement», the visit ended with two separate communiqués.³¹⁰

It is possible that – as argued by Forbes’s Eric Meyer – the whole incident was engineered by Xi’s internal enemies.³¹¹ But it had been the exact replica of a similar incident that had taken place one year before, during Chinese Prime Minister Li Keqiang’s visit to Delhi. This could not but encourage China’s many enemies in India to vent their anger against the neighbour of the North and caution India’s public opinion against the danger of any appeasement with it.³¹²

At the end of the day, the Chinese incursion in Ladakh could not but give legitimacy to Modi’s decision to carry on with the containment side of his China policy. In the period under review, the last significant act of this policy was the tightening of India’s relationship with Vietnam, namely a state whose adversarial relationship with China has been likened to the adversarial relationship existing between India and Pakistan.³¹³

The relationship between India and Vietnam – two countries which shared the preoccupation vis-à-vis a China, which was perceived as harbouring hegemonic ambitions and with which both India and Vietnam had fought a war and had an unsolved problem of undefined borders – has started to become increasingly close since 2000. In 2006, ONGC Videsh Limited (India’s largest oil and gas exploration and production company) obtained rights from Vietnam for block 127 and 128, namely for Vietnamese maritime territory which, however, was claimed as its own by China. Moreover, in 2007, Vietnamese Prime

³⁰⁹ They were withdrawn only after Xi’s return to China.

³¹⁰ ‘Who sabotaged Chinese President Xi Jinping’s India visit?’

³¹¹ *Ibid.*

³¹² E.g. Namrata Goewami, ‘China bargains with Indian territory’, *Asia Times*, 19 September 2014.

³¹³ Bharat Karnad, ‘Vietnam as India’s Pivot’, *The New India Express*, 31 October 2014.

Minister Nguyen Tan Dung visited New Delhi, signing a strategic partnership agreement.³¹⁴

No doubt, Modi intended not only to maintain the already robust India-Vietnam connection, but to upgrade it. Already two days before Xi Jinping's arrival in India, on 15 September 2014, seven important agreements had been signed between India and Vietnam at the presence of India's President Pranab Mukherjee, then visiting Vietnam. These agreements strengthened the bilateral cooperation between the two countries on the basis of a «strategic partnership» focused on political, defence and security cooperation.³¹⁵

On 27 and 28 November 2014, Pranab Mukherjee's visit to Vietnam was reciprocated by Vietnam Prime Minister Nguyen Tan Dung's visit to New Delhi, where the Vietnamese premier arrived accompanied by a large business delegation. Dung's visit had a dual objective: one was diversifying and expanding economic relations; the other was promoting and expanding military and strategic cooperation. The latter aim had an anti-Chinese bent that was clear to everybody. Certainly Modi, in his interaction with Dung, gave pride of place to the military cooperation with Vietnam, which Modi defined as among India's «most important ones».³¹⁶ In doing so, the Indian premier stressed India's commitment to modernize Vietnam's defence forces; an aim that India would reach by making operational at the earliest the USD 100 million line of credit opened during President Mukherjee's visit to Hanoi.³¹⁷ While the two premiers were discussing India-Vietnam military ties, ONGC Videsh Ltd and PetroVietnam signed a «Heads of Agreement» document «for mutual cooperation for exploration in PetroVietnam Blocks 102/10 and 106/10 in the South China Sea».³¹⁸ Although, unlike the blocks previously given for exploration by Vietnam to India, Blocks 102/10 and 106/10 were not reclaimed by China, the agreement could not but be viewed with distaste in Beijing, as China considers the South China Sea as part of its own sphere of influence. Finally, the joint statement concluding Dung's visit had a distinctive anti-Chinese ring, asserting that the two premiers «agreed that freedom of navigation and overflight in the East [China] Sea/South China Sea should not be impeded».³¹⁹ This was a clear indication that New Delhi and Hanoi jointly disapproved of China's attempt to ex-

³¹⁴ For an introduction to India-Vietnam ties, see Mohammad Samir Hussain and Vinayak Subhash Lashkar, 'India-Vietnam strategic partnership getting stronger', *Turkish Weekly*, 3 December 2011.

³¹⁵ 'India, Vietnam ink seven agreements', *The Times of India*, 15 September 2014.

³¹⁶ 'Consolidate India-Vietnam ties', *The New Indian Express*, 6 November 2014.

³¹⁷ *Ibid.*

³¹⁸ Kapil Patil, 'India-Vietnam axis: Energy & geopolitical imperatives', *NAPSNet Policy Forum*, 8 December 2014.

³¹⁹ Quoted in 'Consolidate India-Vietnam ties'.

pand its influence in the East China and South China seas, where such an attempt was resisted in particular by Japan, Vietnam and the Philippines, supported by the US.

Il presente capitolo analizza gli sviluppi politici ed economici in India nel corso del 2014. L'anno in questione è stato caratterizzato dalle elezioni generali, tenute per la 16^a volta dal raggiungimento dell'indipendenza. Tali elezioni hanno visto la catastrofica sconfitta del partito del Congresso, al potere nel corso delle due precedenti legislature, e la brillante vittoria del BJP, guidato da Narendra Modi. Le ragioni e le conseguenze di questo esito elettorale sono analizzate in dettaglio, non solo attraverso la trattazione dello scontro elettorale a livello panindiano, ma mediante lo studio di tre studi di caso, rappresentati dalle elezioni nell'Uttar Pradesh e nel Bihar (dove il BJP ha vinto non contro il Congresso, ma contro potenti partiti regionali a base castale) e nell'Andhra Pradesh (dove il Congresso ha perso non contro il BJP – che in quello stato è una forza politica irrilevante – ma contro i partiti locali). Il saggio si sofferma poi sul funzionamento del nuovo governo guidato da Narendra Modi, mettendo in luce il processo di accentramento dei poteri nelle mani del nuovo primo ministro e del PMO (Prime Minister Office) che lo caratterizza. Viene inoltre messo in luce come l'azione del governo Modi sia stata caratterizzata dall'attuazione dell'agenda «culturale» del fondamentalismo/nazionalismo indù. Anche se realizzata seguendo strategie di basso profilo, tale politica ha già avuto il risultato di portare ad un peggioramento nei rapporti fra le diverse comunità religiose.

Il capitolo passa poi ad analizzare l'andamento dell'economia, dimostrando come la ripresa economica fosse iniziata prima della conquista del potere da parte di Modi e come molti dei positivi sviluppi della seconda metà dell'anno siano stati frutto anche del crollo del prezzo del petrolio a livello internazionale. Infine, il capitolo analizza la politica estera indiana, sottolineando il nuovo dinamismo ad essa impresso da Modi e analizzandola come incentrata intorno a due assi: quello volto a realizzare un avvicinamento con gli USA, senza per altro rinunciare a difendere gli interessi dell'India nell'ambito della World Trade Organization e senza mettere in pericolo il tradizionale legame con la Russia, e l'asse volto a costruire un arco di contenimento intorno alla Cina, evitando per altro uno scontro frontale con Pechino.