

What an election result!

Modi's future success will depend on his ability to manage three risks: inflation, alienation of the Muslim community and infrastructure



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This is easily the most significant election we have had in the country since 1977. That election marked the wholesale rejection of authoritarianism. This one has been seminal for at least five reasons.

It has produced the highest voter participation of any national election in our post-Independence history. At an estimated 66.4 per cent, voter turnout was seven percentage points higher than in 2009. It signals a highly engaged electorate, one in which the young voters, for the first time, have made a big difference.

It is the first time since Independence that a party other than the Congress has gained a simple majority in the Lok Sabha on its own. This election marks the emergence of a new vocabulary for mass political mobilisation. The evidence is compelling that the Bharatiya Janata Party (BJP) and its allies were able to garner widespread support relying largely (albeit not only) on the promise of development and governance. This narrative connected with the aspirations and rising expectations of millions of voters, cutting across caste lines, even if not across religious lines. It delivered an impressive combined vote share of 41 per cent for the National Democratic Alliance (NDA).

This election was distinctive also because it was effectively a referendum on leadership. Voters were clearly fed up with the leadership vacuum at the national level. That they responded to Narendra Modi's decisive style is hard to contest. It turns out that a large share of voters across the country would not have voted for the BJP were it not for the leadership of Modi (see table). With the notable exception of the Muslim community, Modi was the overwhelming choice for prime minister of people across most other communities. The Modi factor was particularly important for attracting the support of younger voters to the BJP.

The abysmal performance of the Congress further makes this election a



PM-designate Narendra Modi addresses the BJP parliamentary meeting at the Central Hall of Parliament in New Delhi on Tuesday

PHOTO: PTI

landmark event. Historically, the Congress has been a remarkably resilient force in Indian politics. It has bounced back from previous setbacks and managed to retain at least some influence at the national level, even in the face of the progressive fragmentation of political power that we have seen over the past three decades. But never has the party been routed like this. The party garnered a pitiful 45 seats and only 19 per cent of the vote, its lowest seat tally and vote share ever. While it may be premature to predict the party's demise, this election does appear to signal the fading appeal of the Gandhi family that has survived politically for so long by merely exploiting the place that Nehru has occupied in the popular imagination and the intellectual discourse of our nation. Unless the Congress is now able to throw up new leadership and re-invent itself (perhaps like the New Labor Party in the UK for example), its recovery as an ideological and political force seems more challenging than at any time in the past.

Finally, and perhaps most significantly, the BJP's decisive victory in the Lok Sabha elections has handed the Modi government an historic opportunity to extend its control over a critical mass of state legislatures as well. The

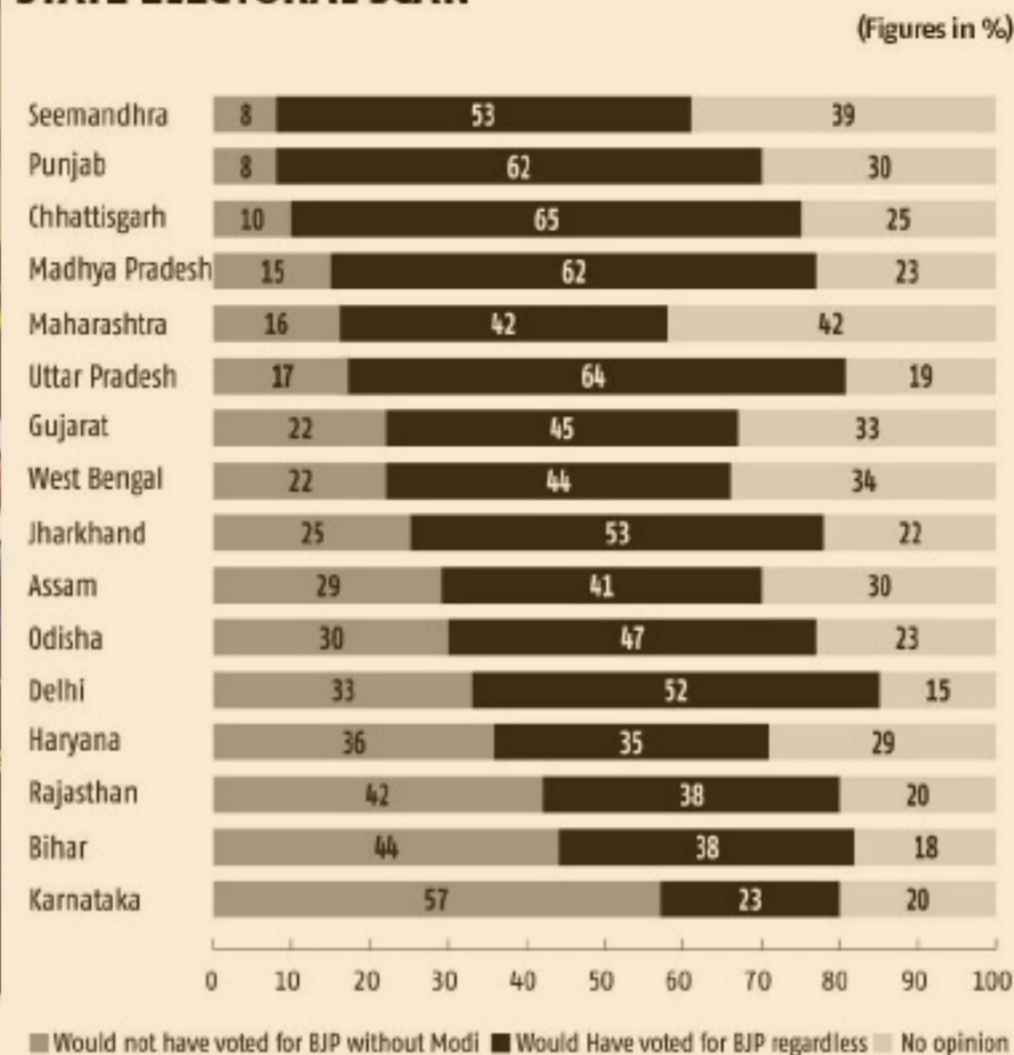
BJP and their allies already control the state Assemblies of Rajasthan, Gujarat, Madhya Pradesh, Seemandhra, Assam, Jharkhand and Chhattisgarh. Elections are imminent in important additional states including Delhi, Haryana, Maharashtra and Bihar. In Uttar Pradesh, they are slated for 2017. These are all the states where the BJP has just registered impressive if not overwhelming gains in Lok Sabha seats. If the BJP (along with allies in Maharashtra) is able to ride this momentum and win majorities in the legislatures of these states as well over the next 12-36 months, this would align the politics of most of the country's largest states with a cohesive national agenda and possibly open the door to legislative possibilities that have been impossible to contemplate over the past couple of decades.

So how should the BJP go about pursuing this historic opportunity? They should proceed along multiple tracks with different time lines, starting with initiatives that are substantially within the central government's control and are likely to deliver quick wins. The Modi

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government should focus on improving the administrative functioning of the government rather than turning to an active legislative agenda early in its tenure. It has already spent a lot of time identifying IAS officers for key positions. It should be possible for the new government to restore the confidence of senior bureaucrats to make quicker decisions without fearing spurious investigation. Likewise, a better coordinated Cabinet should be able to eliminate concerns about policy flip-flops that had become a feature of the balkanised United Progressive Alliance regime. The new government could also launch initiatives to improve the management, and monitor the performance, of key organisations such as the Indian Railways, Coal India, NHAI, and public sector banks. It could also drive process improvements in critical areas such as environmental regulations. Reviving the investment cycle will be vital to creating jobs. Simple measures to boost investor confidence should, therefore, be a priority. Reversing the chronic payment delays from government agencies would provide valuable relief to the very large number of cash-strapped companies and contractors that

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Source: Milan Vaishnav of Carnegie Endowment/USDS

work with the central government. Dialling back the harassment of businesses big and small from overzealous tax officials is another administrative initiative that could have a high impact on the business community.

Second, the government should focus on project execution rather than waste time on elaborate formulation of policies early in its tenure. There could be several projects of national importance, but the Delhi-Mumbai transport corridor comes immediately to mind. Fast-tracking this project would have multiplier effects for job creation.

Third, the government should collaborate closely at least with the states under BJP control to make progress in areas that require collaboration between the Centre and state. Improving irrigation and the agricultural supply chain are two critical areas that fall in this bucket.

Fourth, on the political front, Modi must capitalise on the BJP's performance in these elections to gain control of key additional states between now and 2017. This would allow the NDA to also take progressive control of the Rajya Sabha. Nearly 100 seats in that Assembly will come up on a staggered basis for indirect election by state governments before the end of 2016. Modi has, therefore, the potential to fashion a truly dramatic political re-alignment of Centre-state relations during his first term. If he succeeds, he could pursue a potentially transformational legislative agenda during a second term.

These outcomes, as exciting as they sound, are not preordained. Modi will need to manage three risks. He runs the risk of disappointing a large swathe of his support base prematurely if inflationary pressure does not moderate quickly. Inflation is driven in large parts by escalating food prices, which in turn are driven by not so easy-to-fix supply side constraints. Then there is the risk that the alienation of the Muslim community, the one segment of society that Modi failed to attract in this election, becomes deeper over time, leading to social instability. And third, there is the risk that this government does not invest enough in strengthening the country's institutional infrastructure, relying instead, like Indira Gandhi, on his strength of personality. That said, Modi seems to have a keen sense for his place in history. With already a firm eye on securing his legacy, I am inclined to believe that he will find a way to manage his way around these pitfalls.

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