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"It is difficult to recall a time in the more than 40 years since India's independence when the future course of the state was so profoundly dependent on the outcome of a general election. This is not to suggest that the country faces any imminent peril. India has consistently refuted the apocalyptic predictions of a legion of doomsayers. . . [However,] unless the emergent political leadership can make [the] crucial political choices, India faces the prospect of entrapment in the maw of economic stagnation, ethnoreligious discord, and declining international importance. . ."

## Uncertain India

SUMIT GANGULY

As India prepares to hold its eleventh general election this April, a profound sense of uncertainty stalks the political scene. It is by no means clear that any single party will emerge victorious. In India and abroad, political pundits are predicting a rout for the ruling Congress Party. Yet no other party seems to have sufficient support to sweep the polls. This bodes ill for India's future, and places many of the hard-won political and economic gains of the past few years at risk.

### THE POST-COLD WAR THAW

India's political landscape has seen remarkable changes the past few years. At the end of the cold war, the country's leadership sought to discard many of the shibboleths that had undergirded domestic and foreign policies. Faced with the distinct prospect of an economic collapse, India implemented a strategy to dismantle its labyrinthine economic controls; while this highly regulated economic system had successfully promoted infrastructure development, it had outlived its usefulness.

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The cold war's end also required fundamental changes in India's foreign policy. Though Indian politicians continued to allude to India's historic commitment to nonalignment, the doctrine had ceased to have much meaning. The decline of the Nonaligned Movement substantially reduced India's standing and scope for maneuver in world politics. With the collapse of the Soviet empire and the subsequent end of the Indo-Soviet security and arms transfer relationship, India moved to repair its relations with the United States and China. Relations with Pakistan, India's principal adversary, remained troubled.

India's record in domestic and foreign policy since the launch of its economic liberalization program and the end of the cold war has been far from exemplary but not bereft of achievement. On the domestic front, it has made important strides. Economic growth and inflation both hover around 6 percent, and foreign exchange reserves are at a comfortable \$19 billion. India's exports are growing rapidly and industrial performance is creditable. Internationally, India has improved relations with the United States, although differences remain on issues of nuclear proliferation and ballistic missile development. India has, however, dramatically improved its relations with China by tackling the long-standing border dispute, agreeing on a variety of confidence- and security-building

measures, and expanding crossborder trade. Finally, although relations with Pakistan are at a low point, India has successfully isolated it from two hitherto friendly states, Iran and China; neither unequivocally supports Pakistan's position on the Kashmir dispute with India.

India's efforts to deal with the myriad domestic and international challenges it faces in the waning days of this century could be dealt a major setback if no political party wins a parliamentary majority in the April election. Depending on the particular coalition that emerges, a number of policy areas could be adversely affected. For example, a Congress-Left Front (a conglomeration of left-of-center political parties) coalition could force restraints on the fitful process of economic liberalization. Some members of the Left Front have condemned the putatively antipoor elements of the economic reform program. At the same time, a Bharatiya Janata Party (BJP)-led coalition government could also imperil the economic liberalization program, and would certainly damage relations with Pakistan and the Arab world. The BJP has promoted a brand of xenophobic nationalism with two important components: strong anti-Muslim (and therefore anti-Pakistani) rhetoric, and a militaristic, belligerent international image. The BJP's deeply antiseccular outlook and blatantly hostile orientation toward India's 110 million-strong Muslim community could further poison communal relations within India.

### LIBERALIZATION AND ITS DISCONTENTS

What precipitated this looming political crisis and what are the key issues of domestic and foreign policy with which a new government will have to contend after the April general election? The deeper causes of this impending problem can be traced to the organizational and ideological decline of the Congress Party. Authoritative observers have commented at length on the decline of the party's internal organization and its commitment to specific social and political goals.<sup>1</sup> This process started under Indira Gandhi, who in her later years as prime minister increasingly resorted to populist programs to garner votes. In part this strategy was designed to cope with the

demands of a variety of newly mobilized constituencies, such as minorities and the rural poor. In her quest for political dominance, Gandhi thus presided over the dismantling of political institutions in India, including her own party.

Indira Gandhi's son and successor, Rajiv, initially made an effort to restore a degree of probity and organizational efficacy to the Congress. However, as he became enmeshed in political troubles he abandoned his well-intentioned efforts. By the time Narasimha Rao assumed office in 1991, the party structure was a shriveled and weakened entity. Presiding over a nation besieged by social unrest and on the verge of economic collapse, Prime Minister Rao could ill afford to take on the task of rebuilding the party. Over the next several years the prime minister's energies were directed toward the economic liberalization program, reorienting India's foreign policy, and dealing with Kashmir. Internal organizational reform and the restoration of institutional efficacy had to take a back seat.

Ironically, the push toward economic liberalization, one of the successes of the Rao regime, may well become its most important liability as the elections approach. Despite the obvious gains that the economic liberalization program has brought India, it lacks mass appeal among voters. There is little question that liberalization has brought about concrete results. India today boasts a middle class conservatively estimated at 120 million people, yet the rewards of liberalization have not trickled downward. Instead, economic reform, in its initial phase, has sharpened economic disparities. The Indian market has been flooded with consumer goods, most of which remain beyond the reach of working-class citizens. Neither Prime Minister Rao nor Finance Minister Manmohan Singh, the principal architect of the reforms, has been able to articulate a vision that the vast majority of the voting population can comprehend and support. The reforms have instead provided electoral fodder for their political adversaries.

The politics of economic reform has made strange bedfellows. Segments of the political left and the traditionally right-wing BJP have united to oppose components of the reform process. Leftist labor unions have highlighted the uncertainties that reform has introduced, generating considerable opposition to the government's attempts to alter the bloated and largely inefficient public sector. Eventually, the adoption of an "exit policy" will result in plant closings and layoffs. Fearing the

<sup>1</sup>See James Manor, "The Dynamics of Political Integration and Disintegration," in S. Jeyaratnam Wilson and Dennis Dalton, eds., *The States of South Asia: Problems of National Integration* (Honolulu: University of Hawaii Press, 1982), pp. 89-110.

worst, powerful and well-entrenched labor unions with extensive political connections have sounded the tocsin.

The jingoistic BJP, the principal opposition party in parliament, has also sought to exploit voter misgivings about the anticipated costs of economic liberalization. To this end the party has resurrected an old fear of the Indian political left: that liberalization will encourage the unbridled entry of foreign multinationals into the Indian market. These behemoths, BJP stalwarts argue, will wipe out indigenous entrepreneurs and exploit the Indian market. Moreover, BJP spokesmen preach that foreign companies will only introduce crass consumerism into India and not contribute to technological advance. A BJP regime, its proponents argue, would induce foreign companies to bring in "computer chips, not potato chips." The BJP-run government in the national capital area of New Delhi has already targeted a Kentucky Fried Chicken franchise, forcing it to close on the most tenuous grounds after health inspectors found two flies in the kitchen; the order was subsequently quashed by an Indian court.<sup>2</sup>

To bolster its contentions about foreign penetration and control of the Indian economy, the BJP has also dexterously appropriated the idea of *swadeshi* (national self-reliance), a sentiment that has deep roots in Indian political history. This term recalls the glory days of nationalist agitation against British colonial rule. By invoking memories of colonial domination, the BJP is promoting a form of xenophobic nationalism among many who have anxieties about their own economic futures.

Finally, the BJP has sought to portray the Congress as a corruption-ridden party. In 1995 a BJP coalition government in the western state of Maharashtra forced the renegotiation of a \$2.8 billion power plant construction contract with the Enron Corporation, a United States-based firm, alleging that Enron had bribed former Congress government members to obtain the contract. Subsequently, the BJP brought parliamentary proceedings to a virtual halt last November with its strident accusations of bribery and favoritism

<sup>2</sup>In the southern city of Bangalore, the municipal corporation briefly shut down a Kentucky Fried Chicken outlet on the grounds that excessive amounts of monosodium glutamate was being used to prepare chicken.

against Minister for Telecommunications Sukh Ram in the awarding of cellular telephone contracts. Even though the BJP spokesmen could not point to any specific evidence of governmental malfeasance, they nevertheless charged that the government had compromised the bidding process in awarding a disproportionate number of contracts to a little-known Indian electronics firm, Himachal Futuristic Communications Limited.

The BJP's strategy of casting aspersions on economic liberalization notwithstanding, India cannot afford to retreat from liberalization. Barring a handful of irresponsible trade unionists and BJP ideologues, most economic analysts in India recognize that the country was faced with an economic Dunkirk in 1991. Retreating from the present course could again bring the country to the edge of an abyss. Yet over the short term, the BJP's economic nationalism is likely to chase away foreign investors and slow the country's efforts to shed the ideological baggage of the past.

#### **THE BRIBERY SCANDAL: POTENTIAL WINNERS AND LOSERS**

The BJP had gained substantial political ground by drawing attention to the shortcomings of the economic liberalization program and the allegedly corrupt practices of the Congress. These charges, regardless of their veracity, have considerable resonance in Indian politics, where corruption has been widespread. The bribery scandal that broke in January threatened not only the political fortunes of the ruling Congress but of the other two major parties, the BJP and the Janata Dal. The political fallout from this bribery scandal has added significantly to the already uncertain future that lies beyond the elections.

On January 16, 1996, India's premier federal investigative body, the Central Bureau of Investigation (CBI), brought charges of bribery against three Congress cabinet ministers: Balram Jhakar (Agriculture), Madhavrao Scindia (Human Resources Development) and V. C. Shukla (Parliamentary Affairs). Each was accused of involvement in an \$18 million bribery scheme that gave out official favors and kickbacks to a family firm. All three ministers promptly resigned. Simultaneously, the CBI filed similar charges against the leader of the opposition and the president of the BJP, L. K. Advani, who has resigned his parliamentary seat

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pending an investigation. Two prominent Janata Dal Party leaders, Arif Mohammed Khan and Sharad Yadav, were also implicated.

The ramifications of this scandal are difficult to assess. There is little question that it will damage the electoral fortunes of all the major political parties. It will certainly hurt the BJP, which had long portrayed itself as being a highly disciplined party, free from the taint of political corruption. Yet Prime Minister Rao, who among a host of other responsibilities controls the Ministry of Personnel (the parent ministry of the CBI), may stand to benefit from this scandal. Since he, in effect, permitted the CBI to pursue its investigations against three cabinet colleagues and various other Congress Party members, his political standing may improve. On the other hand, given the recent assertiveness of the Supreme Court, if any evidence of wrongdoing emerges against the prime minister, his political fortunes, too, could plummet.

At a larger level, the CBI's willingness and ability to bring charges against some of the highest elected officials in the land has already won accolades from prominent Indian political commentators and journalists. Many have expressed hope that a full-scale discussion of corruption in India's ruling circles will become a leading election issue. The comments of these Indian political analysts reflect a deep-seated and pervasive mood among the Indian electorate, which has come to see political corruption as endemic to the Indian polity.

### THE SECULAR STATE'S END?

In the wake of BJP president Advani's involvement in the bribery scandal, the party may be hard pressed to dwell on the corruption issue in the election campaign. It will, however, attempt to resurrect a long-standing set of social issues relating to Indian secularism. In recent years the BJP has pursued its antisecular agenda with a vengeance. Indeed, its stridency went beyond rhetoric in December 1992, when a well-organized group of agitators belonging to the Bajrang Dal, the Rashtriya Swayam Sevaks (RSS), and the Vishwa Hindu Parishad (VHP)—three militant Hindu organizations with close ties to the BJP—attacked and destroyed the fourteenth-century Babri mosque in Ayodhya, a town in the northern state of Uttar

Pradesh. According to the miscreants and their supporters, the mosque had been built on the ruins of a Hindu temple consecrating the birthplace of Lord Rama, a prominent member of the Hindu pantheon. In the aftermath of the mosque's destruction, widespread Hindu-Muslim rioting took place across India, resulting in the deaths of several thousand people.<sup>3</sup> As a result of the widespread loss of life and destruction of property, the BJP and its associates suffered a political setback. Yet as their subsequent political successes in 1994 in the states of Gujarat and Maharashtra demonstrated, the BJP is far from being a spent political force in Indian politics.

As the election campaign shifts into high gear, the BJP is continuing its assault against the scarred edifice of Indian secularism. One of the devices that it has fashioned to lead this charge is the endorsement of a Uniform Civil Code. Adopting such a code would put an end to the differing legal dispensations in the area of personal law that currently exist for Muslims and other minorities in India. Under ideal political circumstances, the adoption of a Uniform Civil Code would make eminent sense despite the opposition of the Muslim orthodoxy. However, in the BJP's hands, the Uniform Civil Code is a Trojan horse. The party wants to push through this legislation simply to secure the votes of segments of the Hindu community that believe Muslims have disproportionately benefited from the government's largesse. The BJP has also raised other electoral issues that threaten to erode India's commitment to a secular polity. It has, for example, resurrected an age-old demand—a ban on cow slaughter—that has considerable resonance among conservative Hindus, who deem it to be a repugnant practice.

A recent decision by the Indian Supreme Court that overturned a decision of the Bombay High Court provided an unexpected boost to the BJP's antisecular credo. The lower court had set aside the election of a Shiv Sena (a BJP ally and violently nativist political party) candidate and several BJP candidates in Maharashtra state on the grounds that they had violated the terms of the Representation of the Peoples Act by making religiously based appeals. This legal decision will be used by the BJP to legitimize its blatantly sectarian appeals.

### THE KASHMIR QUESTION

The next government will have to confront several smoldering political issues. One of these, of course, is the economic reform process. Another

<sup>3</sup>On the Ayodhya debacle, see Peter Van der Veer, "Ayodhya and Somnath: Eternal Shrines, Contested Histories," *Social Research*, vol. 59, no. 1 (Spring 1992).

pressing problem is the six-year-old insurgency in the state of Jammu and Kashmir.

The insurgency is the result of rapid political mobilization and institutional decay. The growth of literacy, media exposure, and telecommunications produced a new generation of politically conscious and assertive Kashmiris. Unfortunately, New Delhi, perennially fearful of the loss of centralized power, misread Kashmiri demands for greater autonomy and federalism as incipient secessionism and systematically tampered with the democratic process in the state. With all avenues of legitimate political dissent effectively blocked, this politically assertive generation of Kashmiris turned to violence.<sup>4</sup> And once the rebellion ensued, India's long-time adversary, Pakistan, stepped in to provide sanctuaries, training, organization, and weaponry to the insurgents.

The government's widespread use of force to wear down the insurgents has inevitably resulted in significant human rights violations in fighting that has left between 15,000 and 20,000 dead. Faced with strident criticisms from domestic organizations such as the People's Union for Civil Liberties and international human rights organizations such as Asia Watch and Amnesty International, the Indian government has mounted a vigorous public relations campaign while simultaneously reigning in the security forces. In its public relations efforts, the authorities have sought to portray the insurgents as common murderers and terrorists. At the same time, the government recently created a human rights cell in the Indian army and has punished an unspecified number of officers and enlisted personnel accused of flagrant human rights violations. But it must address the human rights issue directly to regain the trust and confidence of the Kashmiris and to restore law and order.

Another issue that is ripe for resolution is the question of elections in Kashmir. The government has repeatedly deferred from holding elections in the state because it is unable to create sufficient stability for even moderately fair voting. Its 1995 election plans went up in smoke when Kashmiri and Afghan insurgents destroyed a fourteenth-cen-

tury shrine in the Kashmir Valley town of Charar-e-Sharief that May, sparking widespread demonstrations throughout Kashmir. Given the acutely disturbed conditions in the state, the government has been unable to compile voters' lists. But having repeatedly deferred elections, the Indian government is now under renewed pressure from the Supreme Court to proceed with a vote. Despite persisting problems, the government is making efforts to hold elections in the state later this year.

But the government has yet to hold concerted, organized, and extensive negotiations with the insurgents. To promote conditions conducive to negotiations, it has released over the past two years two of the principal leaders of the Jammu and Kashmir Liberation Front, Yasin Malik and Shabir Shah. Neither of these men nor Hurriyat (a conglomeration of Kashmiri political parties and leaders opposed to the government of India) has been

especially forthcoming. Such reticence is understandable. The other major insurgent groups—the Jammu and Kashmir Islamic Front, the Harkat-ul-Ansar, the Hizb-ul-Mujahideen, and the Laskar-i-Toiba and the Muslim Janbaz force—not only remain hostile toward negotiations but will physically eliminate any leader who breaks ranks. Until the Indian security forces can militarily defeat the most intractable insurgent groups, meaningful negotiations will remain a chimera.

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*Will [India's  
leaders]  
realize that  
ethnic  
scapegoating  
is not a  
panacea for  
fundamental  
social and  
economic ills?*

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#### AND THE NUCLEAR QUESTION

Another issue that will confront any future regime is India's nuclear status and posture. The nuclear debate within India has acquired momentum since the indefinite and unconditional extension of the nuclear Non-Proliferation Treaty (NPT) in 1995. India is, along with Israel and Pakistan, one of the three countries believed to have nuclear weapons outside the NPT framework, official professions to the contrary notwithstanding. It has come under considerable pressure from the United States and other major powers, such as Japan and Germany, to forswear the nuclear weapons option. Such concerted external pressure to abandon the nuclear option in the wake of the treaty extension has been counterproductive, serving only to fuel the domestic political debate in India. The BJP and the hawkish sections of India's "attentive public" have stridently criticized the government for its failure to adopt a tougher posture.

<sup>4</sup>For a detailed discussion, see Sumit Ganguly, *Between War and Peace: The Kashmir Question Revisited* (Washington, D.C.: Woodrow Wilson Center Press, forthcoming).

These arguments constitute a curious amalgam of idealism and realpolitik. Some critics, especially within the ranks of the BJP, believe that India needs nuclear weapons to fend off potential challenges from Pakistan and China. Others, while making the same argument, also hold that the NPT framework is fundamentally discriminatory. Their arguments have gathered renewed strength with the failure of the nuclear weapons states after the NPT renewal to seriously address long-term plans for the elimination of nuclear weapons beyond hortatory statements and pious expressions. Meanwhile, the Indian government has been stung by sharp domestic criticism. Fearing that the nuclear loophole provided by India's refusal to sign the NPT will be closed by the impending passage of the Comprehensive Test Ban Treaty, the government has recently altered its position on the CTBT as well as on a global ban on the production of weapons-grade fissile material.

Prior to the renewal of the NPT, India had been an enthusiastic supporter of both these steps. It had, in fact, cosponsored a resolution with the United States in the United Nations General Assembly as recently as 1994, calling for a global ban on the production of weapons-grade fissile material. India was also one of the original proponents of the CTBT in the 1950s. Now the government is insisting that India's accession to the proposed CTBT regime must be linked to a schedule for universal and complete disarmament. Electoral rhetoric and considerations aside, the shift in the Indian position is based on a combination of fairness and expediency. India correctly criticizes the nuclear weapons states for seeking ways to maintain their nuclear monopoly. But the Indian position is also tinged with political considerations. Had India already developed the technological capabilities and infrastructure for similar tests, it is doubtful that it would resist the passage of the CTBT in its proposed form.

A well-publicized news leak from the United States Defense Department in late December 1995 rekindled the nuclear debate within India. Based on satellite reconnaissance, Pentagon sources claimed that it appeared India was making preparations for a second nuclear test (the first was in 1974). The official Indian reaction was perplexing. After issuing a categorical denial, Indian spokesmen claimed that the allegations about an impending

Indian nuclear test were entirely "speculative."

The Defense Department report, which was first carried in *The New York Times*, set off a firestorm of controversy within India. Hawkish Indian strategists argued that India should indeed go ahead and test nuclear weapons in light of renewed French and continued Chinese nuclear testing. The government reiterated its opposition to nuclear testing but insisted on India's right to maintain its nuclear weapons option. Given the degree of popular support that exists within India for maintaining the status quo, it is doubtful that there will be significant shifts in Indian nuclear policy in the foreseeable future. The nuclear question will undoubtedly persist as a contentious issue in India's relations with many of the advanced industrial states and the United States in particular.

### CRUCIAL CHOICES

It is difficult to recall a time in the more than 40 years since India's independence when the future course of the state was so profoundly dependent on the outcome of a general election. This is not to suggest that the country faces any imminent peril. India has consistently refuted the apocalyptic predictions of a legion of doomsayers. Regardless of the electoral outcome the integrity of the Indian polity is not in doubt. The issues at hand are of a different order. India's political leaders, regardless of ideological predilections, face key choices in both the domestic and foreign policy arenas. On the domestic front, will they discard the rallying cry of economic nationalism and recognize that economic globalization is no longer a policy choice but a fact? Will they realize that ethnic scapegoating is not a panacea for fundamental social and economic ills? Will they also have the courage to restore a degree of probity to Indian public life?

In the realm of foreign relations, will they have the sagacity to provide a quiet requiem to non-alignment and continue the pragmatic approach that the country belatedly adopted at the end of the cold war? Unless the emergent political leadership can make these crucial political choices, India faces the prospect of entrapment in the maw of economic stagnation, ethnoreligious discord, and declining international importance at the end of the twentieth century. ■