



India

THE RETURN OF COMPETITIVE POLITICS

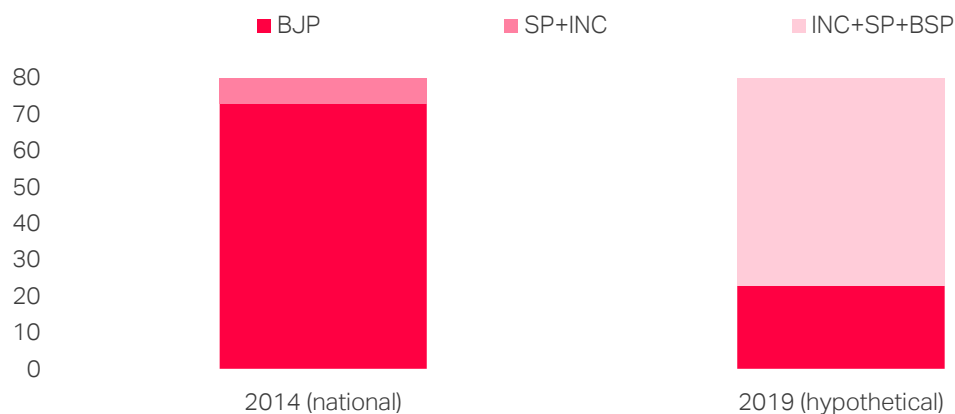
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The victory for the India National Congress (INC) in 3 out of 5 state elections for which results were announced this week is seen as a semi-final before the general election in April-May 2019. We examine the impact on national politics.

- The BJP's defeat in 3 states means the national contest is wide open
- The INC's hand is strengthened in negotiations with regional parties
- The INC now has the authority to form a broad front to oppose the BJP
- The BJP will tilt further to populism and escalate nationalist rhetoric

Chart 1: 2019 Uttar Pradesh hypothetical result based on INC+SP+BSP alliance

The BJP could lose as many as 50 parliamentary (Lower House) seats in Uttar Pradesh alone



Source: Election Commission of India, TS Lombard.

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Election setback for India's ruling party

The Indian National Congress (INC) needed to win at least three of the five state elections underway to project itself as a viable national contender in the April-May 2019 general election, as we had highlighted in our 22 Nov 2018 note [State election turning point](#). In her travels through election-states, my colleague Shumita Deveshwar had found "a real possibility of a BJP loss in all three states governed by the party in its Hindi heartland strongholds of Rajasthan, Madhya Pradesh and Chhattisgarh" (see her 29 Nov 2018 note [On the road: Polls signal swing against Modi's BJP](#)).

That scenario became a reality when votes were counted on 11 December. The INC defeated the Bharatiya Janata Party (BJP) in the three Hindi-speaking states. Regional parties triumphed in Telangana in southern India and Mizoram in the northeast (see Table 1).

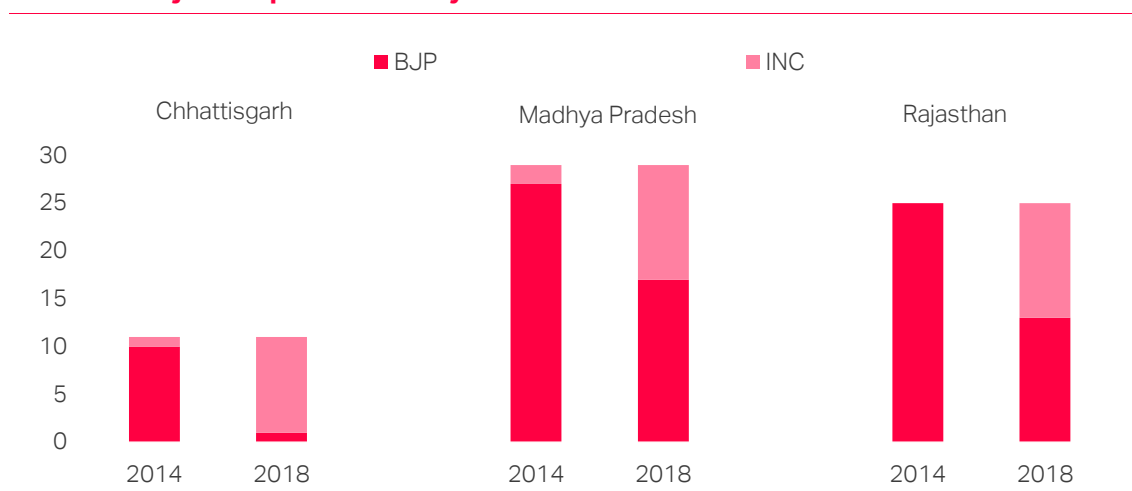
Table 1: Results of state assembly elections in November-December 2018

State	Parliamentary seats	Winner	Main opponent	Nature of victory
Chhattisgarh	11	INC	BJP	Decisive
Madhya Pradesh	29	INC	BJP	Narrow
Mizoram	1	Mizo National Front	INC	Decisive
Rajasthan	25	INC	BJP	Narrow
Telangana	17	Telangana Rashtra Samithi	INC	Decisive

Source: Election Commission of India.

The BJP's 2014 national election triumph – India's first single-party majority in three decades – had come about because of a sweep in Hindi-speaking states. The party had won 63 of 65 parliamentary seats in these three states. If these state results were to hold in the coming general election, the BJP's tally would fall to just 31 of 65.

Chart 2: Projected parliamentary seats



Source: Media reports

National and state elections are not identical of course. Local issues and personalities influence state elections, and smaller parties and independents tend to get more votes. The BJP is calculating that Prime Minister Narendra Modi's national stature and campaigning style will give it a decisive edge in the general election.

But there are three reasons for the ruling party to worry:

- **Prevalence of national issues in state campaigns.** Modi and Congress President Rahul Gandhi raised national issues in their election speeches. Indeed Gandhi's resembled a parliamentary campaign, accusing Modi of corruption and pointing out how demonetisation and GST had hurt farmers, small businesses and consumers. Modi for his part attacked dynastic rule in the INC and accused his opponents of targeting him personally.
- **Strong correlation with national elections.** States tend to elect the same party in state and national elections when they are held in close proximity. This is certainly true of Chhattisgarh, Madhya Pradesh and Rajasthan over several years (see Table 2). That said, the BJP's 2014 parliamentary margins in those states were bigger than in the 2013 state elections and the party will hope to repeat this outperformance in the coming general election.
- **Urban voters moved away from the BJP.** The erosion in the BJP's vote base until now has been predominantly rural. The party scraped through in Gujarat in December 2017 because urban voters stood by the party. But in the latest round of elections, the BJP lost almost equally in urban areas, suggesting that negative sentiment against the party is spreading.

Table 2: Winners of state and national elections

State	2003		2008		2013	
	State	National	State	National	State	National
Chhattisgarh	BJP	BJP	BJP	BJP	BJP	BJP
Madhya Pradesh	BJP	BJP	BJP	BJP	BJP	BJP
Rajasthan	BJP	BJP	INC	INC	BJP	BJP

Source: Election Commission of India.

A calculation by the New Delhi-based Brookings India think tank shows that if all state election results since 2014 were to be converted into parliamentary outcomes, the BJP's tally would be 179, down 103 from 2014 (272 is the majority mark). This is of course only a simulation – many of the state elections included were held more than three years ago. But it is a useful reminder of how voting patterns have changed over time and how wide open the election race potentially is.

The announcements by the Uttar Pradesh-based Bahujan Samaj Party (BSP) and the Samajwadi Party (SP) that their legislators in Rajasthan and Madhya Pradesh would support the INC are indicative of the new authority of the INC to form alliances.

An SP-BSP-INC alliance in Uttar Pradesh – India's largest state – would be a formidable opponent for the BJP and its allies who won 73 of 80 seats from Uttar Pradesh in 2014 when the opposition parties contested separately. The BJP alliance won the equivalent of 68 (of 80) parliamentary seats in the 2017 state election when SP and INC contested together, and the BSP separately. If we project the combined SP-BSP-INC vote in 2017 onto a parliamentary election, the BJP's tally would drop to 23 and the opposition tally would rise to 57, a dramatic shift. This is only a hypothetical exercise but highlights how a broad opposition alliance could transform the contest under India's first-past-the-post electoral system (see Chart 1).

State government challenges

The immediate task for the INC is to pick suitable chief ministers who can deal with the myriad challenges that defeated the BJP, and to convert these wins into momentum for 2019. In Rajasthan and in Madhya Pradesh, the choice is between younger, popular leaders and older, seasoned administrators. In Madhya Pradesh, the INC went with experience and selected Kamal Nath, 72, seen as pro-business and an effective manager. Nath's challenge is to implement the party's various poll promises without letting the state's already stressed deficit balloon further.

In Rajasthan, the INC has also gone with the "old guard", choosing the two-time former chief minister Ashok Gehlot, 67. Gehlot's administration was known for heavy welfare spending during its 2008-13 tenure, and we expect this to continue if he is chosen. Sachin Pilot, 41, the state Congress chief is deputy chief minister, a position not normally awarded by the INC.

In all three states, the issues that contributed to an INC victory – rural stress, joblessness, poor delivery of government services – are not amenable to easy solutions. The new state governments will also face a hostile central government in the run up to the general election that has no incentive to cooperate. And the populist promises made – agricultural loan waivers, higher procurement prices, reduced electricity bills – will reduce the funds available for spending on other programmes initially.

The choice of chief minister in Chhattisgarh has not yet been announced at the time of writing.

Conclusion

The state elections brought good news to everyone except the BJP. The INC bested its main rival in the Hindi heartland while regional parties triumphed in Telangana and in Mizoram. Gandhi and the INC now have the authority to lead a national opposition alliance. Quick announcements by the Uttar Pradesh-based Bahujan Samaj Party (BSP) and the Samajwadi Party (SP) that their legislators in Rajasthan and Madhya Pradesh would support the INC are indicative of the new authority of the INC to form alliances. An SP-BSP-INC alliance in Uttar Pradesh would be a formidable opponent for the BJP that won 71 of its 282 seats in 2014 from Uttar Pradesh.

The BJP still has the advantage, but the national contest is now wide open.

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