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RECENT POLITICAL DEVELOPMENTS IN INDIA:
THE OTHER LEADERSHIP TRANSITION

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P R O C E E D I N G S

MS. MADAN: Good afternoon. Thank you all for coming.

Welcome to Brookings on a very sunny Valentine's Day. Before we start, I'd just request that you put your cellphones on silent so we don't have any ringing in the middle of the talk.

For the next 90 minutes we're going to indulge in India's second favorite sport after cricket, talking politics. And we have two keen observers of that sport and not yet clear as of it; Milan Vaishnav and Sadanand Dhume. There are no national elections in India this year unlike a number of other Asian countries but one could say that every year is an election year in India. A number of State elections are due, up to 10 in 2013. We've just recently had seen the Gujarat Elections in December when Narendra Modi won a third term as Chief Minister.

We've also just witnessed leadership changes in both the major national parties, the BJP and Congress with Rahul Gandhi taking the post of Vice-President of the Congress Party. And at the BJP level, Presidential elections led to the election of Rajnath Singh who is returning as President of that Party.

A number of people have explicitly and implicitly thrown their hats into the Prime Ministerial ring. We'll be discussing that today as well as a number of other issues including various other developments, their implications, as well as what to expect over the next year or so. And to explain these developments we have Milan who's an Associate at the South Asia Program at Carnegie next door. He's

worked at the Center for Global Development before that, the Center for Strategic and International Studies, the Council of Foreign Relations. He's also taught at Columbia and just to tell you that he has not -- he has worked for employers other than those starting with C, he's also taught at Georgetown and George Washington University. His primary research focus is the Indian political economy and he writes regularly on Indian domestic politics including most recently an article in Foreign Affairs which I would highly recommend.

Sadanand is a Fellow, Resident Fellow at the American Enterprise Institute. His work focuses on South Asian political economy, foreign policy and business in society. He previously worked at the Far Eastern Economic Review in both India and Indonesia and has been a Bernard Schwartz Fellow at the Asia Society in DC.

He writes a regular column in the Wall Street Journal. Also, not just recommended reading but perhaps required reading for all of us who work on India and also very much recommended. We will start with both of them offering some remarks. Then I will ask them a few questions and then we will open it up to Q and A.

Milan, would you like to go first?

MR. VAISHNAV: Sure. Thank you, Tanvi. Thank you to Brookings for the invitation. I want to congratulate Tanvi and Brookings on their announcement recently of -- formal announcement of starting their India Center. There are a few other think tanks in town I can think of that are also looking to do the same. So, we are lucky enough to be neighbors here and perhaps we might

be neighbors in New Delhi as well someday.

Let me talk about four issues. One, the recent leadership transitions as Tanvi mentioned at the BJP and the Congress Party. The second, something about the leaders. Third, about the sort of policy outlook and then if we have time, the future sort of political scenarios. And please, let me know if I am running short and we can save some of that for what I hope will be a conversation with you all.

So, the first is on the leadership transitions. I mean I think the conventional wisdom is, you know, we had on the one hand a very smooth transition in terms of the leadership of the Congress Party and we had a kind of chaotic tumultuous transition on the other side of the BJP. And I think that looks can be somewhat deceiving.

I think really neither of these leadership transitions really changes very much in terms of the fundamentals. That both are sort of seeking sort of makeovers within the prevailing organizational context. So, to begin with the Congress, it was deemed smooth because of the sort of dynastic succession plan whereby Rahul Gandhi, the heir to the Nehru Gandhi dynasty was elevated to the party's number two position. But this comes at a cost obviously, which is that it reinforces the idea that the Congress Party sort of epitomizes elite politics. This was by no stretch a meritocratic appointment. Reinforces the idea, of course, that the dynasty is what holds the Party together. And Rahul Gandhi, himself, recognizes this.

So, in the Congress Conclave in Jaipur said, "Congress is the

world's largest political organization but there are no rules or laws here. We make a new rule every two minutes to cover up an old rule. Perhaps, nobody here really knows what the rules of the Party are." That's right. I mean and he's the prime sort of beneficiary of the status quo.

Despite this sort of appearance of kind of a smooth transition, there's this kind of myth of the Party of sort of the Rahul Gandhi as the kind of panacea to all their travails and what was really surprising is that there was really sort of an utter lack of introspection that went on about the Party's shortcomings in Jaipur when they met. And I think that that could be quite costly.

The BJP, on the other hand, seemed to have this sort of chaotic transition where you had what looked like a second term for the President Nitin Gadkari and at the last minute things fell apart and in comes Rajnath Singh, former BJP Party President, and sort of the savior who really became the sort of anyone but Gadkari sort of candidate. I mean the best thing that you could sort of say about him that his friends even said about him was that well, he hadn't been raided by the income tax authorities that morning.

So, there wasn't a whole lot of excitement about his selection but I do think that having this change from Gadkari to Rajnath Singh really did save the BJP from a possible political sort of disaster. I think having Gadkari remain at the top under the cloud of corruption charges, of suspicion about his sort of crony capitalist dealings is very damaging when they're trying to attack the Congress Party and the ruling government on precisely these grounds.

But despite all of this, the cliché about the BJP, I think, still rings

true which is that it aspires to be a Party with a difference but it is, remains, the Party with the differences. And I think this is true at three levels.

One, you have myriad number of party leaders in Delhi who believe they have a claim to the top spot. And none of them can really stand one another. You have continuing tension between the BJP and the Sangh Parivar where the RSS was really desperate to hold onto Gadkari. He was loyal. He was low profile. He didn't really have much particular political ambition and it kept the kind of equilibrium of forces between the Sangh and the BJP.

And then the third fracture within the party is really sort of the regionalization of the party. I think Pratap Bhanu Mehta wrote several months ago that the BJP really is not a national party. It's a collection of six or seven regional parties. And I think that's really true. And there's a lot of regional diversity in the BJP which remains a source of tension.

So, let me say something about the leaders now. First, starting with Rahul Gandhi, I think he intended to make his sort of debut in Jaipur and sort of coming out party a chance for him to kind of put to rest the kind of endless speculation and doubts about his leadership and about his political acumen. And I don't really think he succeeded in fully doing that. I think his speech that he gave, those of you who haven't read it's worth reading, is sort of rich with ironies. On the one hand he's being elevated to the Party Vice-Presidency but everyone already sort of assumed that he was the Party number two.

Nobody really has any clarity about what his official duties are. There's no clarity on whether or not he's going to be the PM Candidate come

2014. He tried to use this opportunity to rebut criticisms of him sort of being style over substance yet even after his debut no one really knows what his views are on the major policy issue of the day. He spoke as if he was an outsider candidate when Congress is anything if not the establishment and has been the establishment for the vast majority of post-Independence India.

And I think he's lost a bit of momentum coming out of that conclave. He hasn't done much in public. Hasn't said much to the press. He was noticeably quiet in the aftermath of the horrific gang rape in Delhi. Having said that, I think there are some positive attributes of Rahul Gandhi that don't get enough airtime. One is that in India we have a really significant generation gap of governance. We have a Cabinet which has a median age of 65 which is one of the highest in the world compared to a population that's very young.

In 1952, the first general elections, 20 percent of MPs were under the age -- I'm sorry, were over the age of 55. Now we have 43 percent of MPs who are over the age of 55. So, I think he does have an advantage in terms of galvanizing the youth. He's tried to do things with the Youth Congress and has talked in somewhat fits and starts about reforming the Congress Party and making it more democratic. I think it's a very mixed picture. I don't think it's gone particularly well, but there is that possibility.

The third is that he gets a lot of flak for sort of electoral disasters but the fact is actually his campaign record is not that bad. What's bad, I mean, were the expectations that were placed upon him by the Party admittedly, but the idea that in Uttar Pradesh in 2012 they were going to go from 22 seats to 202

seats was just sort of complete fantasy.

And the last thing is there is a track record of what were thought of as weak and pliable Congress Prime Ministers who ended up turning out quite differently. Right? That was the case with Indira Gandhi that was the case with Shastri as well.

Now we get on to Modi who, I think, has very methodically and somewhat impressively been building his case for the top spot. He had a decisive win in Gujarat in December. I happened to be there during the election and it was just completely saturated with Narendra Modi. I mean it was really impressive just from a purely campaign perspective in terms of what he did to get reelected. He had a very successful vibrant Gujarat summit where the CEOs of major multinational corporations and Indian business houses came to sort of pay their respects in some sense.

He gave his sort of debut speech in Delhi two weeks ago which was pretty well received by the press. He talked about his policies and reforms in Gujarat. He talked like an executive of a State would talk which is something Rahul Gandhi can't speak of. And I think he's been systematically trying to woo the BJP high command. The word is that he will join the BJP Parliamentary Board in March. His right-hand man, Amit Shah, who is the Former Home Minister who is still under a cloud for his involvement in various fake encounters, is going to be inaugurated, inducted as a BJP General Secretary.

He's offered money to all of the BJP chief ministers who are running for election in the upcoming states, money that will be hard to turn down.

And I think one of the things that was really interesting in Gujarat is people kept coming back; his supporters kept coming back to the fact that both Arun Jaitley and L.K. Advani, the two senior leaders, both sort of owe in some ways their political position to him because Advani has a seat in Gandhinagar in Gujarat, the capital. And Arun Jaitley is a member of the Rajya Sabha from Gujarat. And so, you know, he's pulling out all the stops.

Despite, I think, what his detractors have to say and this was something I wrote about quite recently is, I think there is a sort of silver lining in a potential Modi PM candidacy which I hope we can talk about. Which is whatever you may think of him, and of course the views run the gamut, I have to say I personally was quite struck by the quality and the intellectual nature of the debate around Modi in the run up to the Gujarat reelections.

On issues of his economic stewardship, again whether you're for him or against him; on issues of development and his philosophy about sort of trickle down growth, very reminiscent of the sort of Romney-Obama debates that we had here and arguments about inclusion and about majoritarianism and liberalism and very substantive debates. Now, again, he's polarizing and you can think that he's on the wrong side of all of these things which many do but I think that it's a conversation that -- which -- anyway, I was impressed that it was as substantive as it was.

Let me just say something, I don't -- I think, how much time do we have? Not much.

MS. MADAN: You have five to seven minutes.

MR. VAISHNAV: Five to seven minutes. Okay. So, let me try to run through a couple of other things.

So, leadership transitions, leaders, policy implications, I think both parties have been trying to rhetorically pivot to the sort of urban middle class voter. But it's not really clear, to me anyway, what that sort of means in practical terms. Neither has really articulated a very clear set of new policy directions or a kind of a guiding policy framework.

UPA-2 I think until last September was really sort of rudderless, lacked direction, didn't seem to have a clear policy framework. Now, in the wake of the economic crisis and depressing GDP growth figures and the move of P. Chidambaram to the Finance Ministry, things have certainly changed and seem to have been moving in a more focused way. How much has it changed? I think we'll find out pretty soon in two weeks when the Finance Minister gives his budget speech. How serious they are about sticking to this current reformist path, because I think there are two sources of tension.

One is in the rhetoric they've sort of conflated trying to woo the urban middle class with trying to woo the so-called aam admi, the common man. Now, in some cases there are policies which will appeal to both but in other cases they're not one and the same. And I think they've tried to paper over that distinction.

The second is we are in a run up to an election. And whether or not they're going to be able to keep a lid on fiscal profligacy and sort of populist spending, I think, is a big question but that's where I think the rubber's really

going to meet the road.

On the NDA or BJP side, again, I think there's a lot of confusion about what their underlying principles are especially when it comes to economic reform. I mean, I think we've seen a series of somewhat opportunistic flip-flops on economic policy when you think about management of natural resources and they were fast to criticize UPA on recent natural resource scams when it was the BJP ruled states which were implicated in many of these scams.

On FDI and retail, again, this seems to be a case where maybe the Party was for it before they were against it. So, it's not quite clear where their direction is and then of course there's the Hindutva card which we're starting to see talk by some in the Party about Ayodhya and creating the Ram Temple. And this is something now that is very much going to be, I think, up for debate in the next coming year.

Let me end by talking about future political scenarios. So, all of this is really fun. We can talk about the individuals and the personalities and Modi and Rahul. But at the end of the day national elections are increasingly driven by State agendas. So, national elections are increasingly derivative as Yogendra Yadav and others have argued, and the state elections are principle.

So, the social cleavages that dominate at the state level are what determine voting the Lok Sabha. The timing of state elections is what drives outcomes in the national elections. So, the menu of voter choices is very much fixed at the State level.

And so, we're in full election swing here, right? So, we have nine

state elections I think in the next 12 months. Today, Tripura in the northeast is going to an election with the last left front government, I think, around in India. So, there are five big states I think everyone is keeping their eye on, Chhattisgarh, Delhi, Karnataka, MP and Rajasthan. And the other one I'd add to the list is Jharkhand where we've just had a BJP government fall and there's now President's rule and it remains sort of no one's quite sure where that's going to end up.

Hard to see, for me anyway, and I'd be interested in what you guys think that we're -- if there's really any state where the Congress is in a better today than it was four years ago, that the Congress' sort of most bastion last time around was Andhra Pradesh where things are, quite frankly, seem to be imploding on the Congress party there for a variety of reasons. Of course, there's the dreaded anti-incumbency factor which is always at play. There's a sense of disenchantment and frustration and anger in the wake of recent scandals.

And I think at a structural level I think the Congress party organization at the local level is really atrophying. Despite Rahul Gandhi's best attempts, I mean; I saw this in Bihar in 2010 when I was there for the election. And it was pretty weak and he had spent a lot of political capital campaigning there but there really, really wasn't much there at the grassroots level.

Getting to the BJP, I think in these five big states, what's interesting is these are all pretty much bipolar contests between the Congress and the BJP where regional parties are not so important with the exception

perhaps of Karnataka which maybe we'll talk about. And I think you have to give the BJP, with the exception of Karnataka, the upper hand in four out of these five states. But inroads that the BJP came make into new areas, new bastions I think is pretty unclear. They lost in Himachal Pradesh which was a blow to them. They're really nowhere in UP. They have failed to make much ground in South India. They're facing a possible rupture in Bihar. And they've lost their alliance partner in Orissa.

So, I think, there's not a lot of happy news on the BJP horizon either. So, I was going to say something about sort of how Modi complicates this but let me just stop there because I've kind of gone on for too long and we'll come back to that in the discussion.

MS. MADAN: Thanks, Milan. Sadanand?

MR. DHUME: Thank you so much for having me and thanks for the presentation, Milan.

I'm going to focus largely on what Milan called the fun stuff which is I'm going to talk about Rahul Gandhi and Narendra Modi. I agree with the idea that in some ways when you're looking at an Indian election you're looking at something that resembles the EU. It's a bunch of regional elections. There are parties that are very powerful in parts of India that simply do not exist in other states and the menu of options as Milan put it, is indeed limited by the states.

That said, I think that the coming election, these are going to be the two dominant figures and these are going to be dominant figures who end up influencing the kind of coalition that is formed around both major parties. They're

going to end up influencing, I believe, a percentage of the urban vote and because of the nature, because for the first time since 2004, I would argue, you really have a powerful contest of personalities. This is not to say that they're going to be driving it but I will go out on a limb and say that they're going to drive it more in the coming election than in the last few elections.

So, let me talk a little bit. I just have a sort of very simple kind of grade where I'm going to talk about the strengths and weaknesses without any value judgment on who you like more or who you don't. But from a political perspective going into this election, what are Rahul Gandhi's principle strengths and weaknesses and what are Narendra Modi's principle strengths and weaknesses.

Because even though it's true that the BJP has -- there is division and dissent within the BJP, I would say that over the last two months it has become fairly clear that Narendra Modi is first among equals. He's not in the place where he was on December 18th. And the two things, the two landmarks that have occurred between then and now, first of course was the reelection with a thumping majority, a third straight election and then the speech that he gave recently at SRCC on February 6th. And it was quite incredible because at one level if you think about it logically, this was a Chief Minister going and speaking at a college.

This was the sort of thing that most Chief Ministers in India would struggle to get, have in the newspapers at all. But when Narendra Modi goes to SRCC you had every single news channel carrying it live and you had this -- this

was the number one news story on most newspapers with one notable exception. And it was also the top story for analysis in all the TV news bulletins.

So, in that sense, Modi has really emerged as first among equals in the Party and I think even though he may not formally be put forward as a Prime Ministerial candidate, and we can get to that in discussions, I think it's very clear speaking with people within the Party even the people who don't like him that there's an acknowledgement that this is -- he is the biggest leader in the Party right now.

But anyway, let me start with Rahul Gandhi and let's talk about Rahul Gandhi's strengths first. Because he is, I think, in many ways an underestimated politician. Much of the media and sort of pundits in India have this -- you know they have a tendency to describe him as not very bright. And it's true that there's an element of him that comes across as bumbling. But we have to look at the strengths that Rahul Gandhi brings and they may not necessarily be the strengths of him as an individual but they are the strengths of the Congress Party and the family.

There are reasons why this is a family that has ruled the country for as much time as it has and why the Congress won in 2004 and won again in 2009. And I'd say his principle strength, of course, is the most obvious is simply the fact of having the Gandhi last name. Now, the Gandhi last name, I mean this is also a weakness as Milan alluded to, but I would argue that on the whole if you look at the Indian electorate it's a much bigger asset than it is a liability.

It may be a liability with a certain -- with the urban intelligencia. It

may be a liability with the chunk of the middle class. It may be a liability with many journalists. It is not a liability with the voter at large.

The branding is incredible. The Gandhi dynasty depending on whether you date it from Motilal Nehru becoming President or Jawaharlal Nehru becoming Prime Minister or Indira Gandhi becoming Prime Minister, people date it in different ways. If you go back to Motilal Nehru, the Nehru Gandhis have really been on the political scene for almost a hundred years. Motilal Nehru became President of Congress first in 1919 and though certainly it wasn't a monopoly for the first 30 or 40 years, it has become -- their role in Congress has become stronger and stronger up to the point where when we have Rahul Gandhi elevated to the Vice-Presidency and I mean, even though it should have elicited a big yawn, I mean there was media buzz around it. But anyone who's been following politics knew that he was already the number two person then.

So, he's got the family name. He's got the branding. You've got the fact that all across India there's something like 400 universities, airports, government schemes, I mean someone did a story the other day where it turns out that the central government in India manages 58 projects or schemes and things. More than half of them are named after a family member. And that isn't counting Mahatma Gandhi who coincidentally happens to have the convenient last name.

So, you have sort of all this counts and it may not necessarily count when you're having this discussion in a TV studio but it counts tremendously. Congress is India's only pan-national party. It's the only party that

can go and they can get votes from every demographic group and they can also expect votes across the country, North, South, East, West.

Yet the family has a powerful network of loyalists in every (inaudible), in business, in media, in government. They have, I would argue despite Gujarat, I would argue they have a huge funding advantage starting off compared to the BJP. They've been in power in the center since 2004 and if any of the scandals that we've been reading about in the papers tell us something it's that they have a pretty good system of campaign fundraising in place.

Rahul Gandhi is also helped by the fact that he has no internal rivals. He is clearly the leader. He has been the leader from the start. Nobody is going to mount a challenge though as in any political party there may be people who also know his ambitions. I'm sure that there will be people who would like to see repetitions of the Manmohan Singh, Sonia Gandhi experiment and that may be a possibility where Rahul Gandhi is kind of the force behind the throne but not on the throne himself. However, he doesn't really face any kind of threat from within the party because that's just the culture of the Congress Party.

The Congress Party's -- the Gandhi family's story strikes a chord. It strikes a chord of course most obviously with Congress Party Loyalists but I think it also strikes a chord with many people on the outside. This idea of a family that has dedicated its life to service and lost many members of the family in the pursuit of this public service, it sounds ludicrous if you are not a Gandhi family supporter but clearly many Indians do buy into this. About a quarter of the population, they do admire the family. The family is special. It is somewhat

elevated and so on.

And so, all of these are huge strengths that Rahul Gandhi brings to the table which kind of puts him automatically in my book as a front runner and as a leading politician in India. What are his weaknesses? Now, his weaknesses are much better known because we see a lot. There's a lot of debate about them.

For one, nobody knows what he stands for. Which is really quite remarkable if you think about someone who has been in active politics for nine years, right? I'll just throw out some questions and you won't be able to answer where Rahul Gandhi stands. Does he believe that India has reformed too fast or too slow? Does he think that non-alignment, his great-grandfather's foreign policy, should be discarded or modified? Is the terrorist threat to India overestimated or underestimated?

The most fundamental, the big questions of our politics -- he's a cipher. When he's also widely viewed, and I think with some justification as a bit of a bumbler. He is in some ways India's equivalent of Prince Charles. Just sort of something seems to be just a little bit off, right? So, like everybody is debating the Lokpal Bill and the debate has sort of been narrowed down to a couple of points and then Rahul Gandhi suddenly sort of pops up in Parliament and talks about turning it into a statutory body which would be a game changer.

There's nothing wrong with the particular proposal but you often get the impression with Rahul Gandhi that he is not campaigning to be Prime Minister of India. He's campaigning to be President of the Center for Policy

Research. He always has this sort of little wonkish little aside that he'll sort of bring in. But all what this has led to is a sense that he's kind of out of step with the national mood. That's a very big weakness.

And you saw that again with the recent horrific gang rape in Delhi where, you know, this was a natural politician's -- I mean anyone with a politician's instinct would have been there in a heartbeat. But even if you didn't have a politician's instinct after some time you should be able to turn on the TV and see that there is a this national mood building. But Rahul Gandhi's response to that was essentially to fax in a press release from somewhere overseas after the girl had died.

And so, in terms of his, you know, so he comes to this with great advantages but in terms of his own political instincts, I don't think they're great. His electoral record is mixed at best. If you wanted sort of the -- you could argue that in the 2009 Lok Sabha election which was the best performance by the Congress in 20 years, Rahul Gandhi had a role to play. The Party was revived and UP got 20 odd seats. And he should get some credit for that.

But since then it's been debacle after debacle. In Bihar and Uttar Pradesh, which have I think 646 assembly seats between them, Congress has 32. That's five percent in the two most important Hindi belt states. And these are both campaigns, both UP and Bihar where very ostentatiously Rahul Gandhi was put in charge and he was sort of leading the troops from the front and so on. And the record has, of course, been rather uninspiring.

The other thing, of course, is that if you saw the two speeches, the

Modi speech and the Jaipur speech, Rahul Gandhi's Jaipur speech, I thought his speech was rather good but I don't think even his best friends would describe him as a natural orator in the tradition of Indian politics. He can read out a speech but for some reason which I -- I mean I guess they haven't got to Teleprompters yet, I'm not sure why, but in the tradition of Indian politics that it certainly not something that is looked up to. The people expect their politicians to be able to just emote and speak beautifully. And there are several people in the opposition who have that quality. It's not a quality that he has.

So, those are his weaknesses. And lastly, which I could have said this first, is that it's really not clear whether he has his heart in politics. It's not clear whether this is really truly what he wants to do. And he's 42 years old now and not to say that's particularly old but at some point in politics you have to figure out whether you really want it or not. And if people are still asking that question, and I think the question is asked genuinely, I don't think it's asked only snarkily. Is this really what this person wants? Why did he not take a position, why did he not take a place in Cabinet for example? Why are his speeches, why do his speeches have this odd analytical wonkish think-tank sort of quality? I mean, he should be the third Chair over there analyzing himself and Congress.

And so, that sort of, that I think really does, it raises a question does he really want to be in this game? And I don't think, no matter what the endowments you're blessed with by birth or otherwise, I think it's very difficult in Indian politics now and the UP elections showed that when he went head to head with Akhilesh Yadav. It's very difficult to do well in Indian politics or in any politics

really but in Indian politics in particular I'd say now, unless you treat it as a full-time job. And it's not clear that he is up to that.

Now to come to Narendra Modi who is always great fun to discuss. In fact, I just wrote a piece about Modi that went up on the web maybe about three hours ago. And just before leaving I checked and it was already up to something like 60 tweets and sort of -- so the best way to sort of get a conversation going about politics in India, particularly in social media, is just to sort of have the words Narendra Modi in there somewhere and you're going to have sort of all kinds of people praising you and abusing you and sort of endlessly.

Modi's strengths and weaknesses are both very well-known so I'm not going to spend too much time on this but I'll just give you a sort of quick list of where I think. First of all, I think that on both the questions that Milan raised in terms of not just in terms of internal divisions with the BJP and the relationship between the BJP and the Sangh, both exist as divisions but I think on both of those fronts we see progress, we see evidence that Modi is in a better position today than we was three months ago.

You see that in terms of how people speak about him. I've been struck by that. That's the first. So, he's clearly sort of methodically brought himself to a place where he has this national following and he is seen clearly. He is the only other politician in India apart from Rahul Gandhi who can make news by just saying virtually anything. He makes news just simply by being Narendra Modi. And I think as the way the media to this SRCC speech is really quite

striking. It would not have been national news for anybody else.

It would have been national news for Rahul Gandhi because he's a national figure but he comes with such a huge legacy. But this is a guy who's -- but apart from that it would not have been used for anybody, not if it have been Jaitley, not if it had been Sushma Swaraj, not if it had been any other chief minister.

Main strengths: his main strength of course is his administrative record. He is widely seen, especially by the middle class and there were a couple of polls recently in India today on *Outlook*, that point that show he is the most popular leader in urban India today. You can take these polls with a pinch of salt. I tend to. But they are indicative. I don't know to the degree to which this is going to translate into rural India. I don't know the degree to which this is going to have an impact on national elections which are very complex in an aggregation of states.

But I think it's fair to say that as of today, Narendra Modi is the most popular politician in urban India. Much of it is because of his administrative record where he's seen as efficient. He's seen as a person who gets things done. He's seen as a person who cuts through red tape. He's seen as having led the Gujarat economic miracle. This was a state with five percent of the population. It has 16 percent of India's manufacturing, 22 percent of India's exports.

Of course, those of us who follow this know that much of Gujarat's economic strength predates Modi. However, I think it's fair to say that Modi has

taken a state that was always one of the better performing states and kept his foot on the pedal and seen Gujarat continue to perform really well.

The other thing is that he has about his growing middle class appeal is really quite, I mean, is his hold on social media in India is really quite stunning. And I don't want to exaggerate its importance. This is a country of 1.2 billion people and they're barely 16 million people on Twitter. However, it's certainly true that you see social media driving the news cycle in India. And it's also I think a proxy in some ways for the middle class, right? Who are the kinds of Indians who are on Facebook and Twitter?

There he has a huge, huge fan following. I wrote an essay about him in Foreign Policy just, it was published the day he was reelected in Gujarat. And at that point I had sort of written that he had 1.1 million followers on Twitter and I just sort of checked again before coming here. And so between December 20th and now, he's added another 100,000. And there's no question that by the end of the year in my mind that he's going to have alone the largest following of any politician.

Right now Shashi Tharoor has more followers than him. This is not to overplay what social media stand for but it has an influence on media first of all. And secondly, it's a proxy of sorts for the middle class. And what you see Modi doing is building the ability to reach people over the heads of the media. That's one thing. Or because he has this band of passionate, I think some of them are crazy too if you pardon my saying it, they are also able to sort of I don't think is centralized. I just think these people really do believe in him, able to

influence a national debate in a way that was not possible earlier and when you can see that the Congress is quite concerned about this, they recently announced that they were going to have -- they're setting up a new fund, the hundred crore rupees just to get people involved in social media to counter the threat from Narendra Modi.

That's another one of his strengths. And his story really, I mean, he's such a hugely polarizing figure and I think that we're all aware of why he is disliked. And I'm going to get to that when I talk about his weaknesses. But when you talk to people who are his supporters, you're struck by the degree to which he strikes a moral chord in them.

Narendra Modi's story is a very unusual story in Indian politics. This is a person and you can look at the contrasts over here, this is a person who was not given power by his family. His first job was at the railway station where he was helping his uncle run a tea stall. How many MPs right today have that kind of background? So, the humble origins is really something that strikes a chord with his supporters. The fact that he is a self-made man, the fact that nothing was given. And he has also developed a reputation for probity.

Now, I don't know whether this is true or not and given the nature of electoral funding in India I'm not sure how it could possibly be true in the strictest sense of the word but let me put it this way. When Modi released his financial details ahead of the elections and I believe that his net worth was \$245,000 that amount was seen as credible.

When Sharad Pawar releases his details of his net worth, whole

room dies of laughter. So, the fact that so, without getting into whether it's true or not, the fact is that Modi today is seen by a large section of the Indian middle class as undoubtedly the most efficient administrator in the country and probably the cleanest major politician too. And these are huge assets to have.

Finally, and this is something that is interesting because it's never, it's really not written about partly because Modi doesn't bring this up. But I was having a discussion with a commentator in Delhi and I'll leave him unnamed over here. But Modi does not belong to an upper caste. He is an OBC or an Other Backward Caste and he, of course, partly for ideological reasons being a person from the RSS and so on, he never brings this up and he rarely brings this up in speeches. He doesn't say, well this is my caste, vote for me because of my caste. And, in fact, he very studiously avoids that and disparages it. He sort of disparages what he calls vote bank politics.

However, I would not be surprised if that turns out to be something that is quite appealing. It's not clear to me whether it's going to translate, whether being an OBC from Gujarat is going to translate into UP and Bihar and so on. And that's going to be one of the big questions of the next election. But I think it's an asset that he has especially combined with the traditional caste support that the BJP has which is not talked about enough and ought to be talked about or understood more.

Finally, he is of course an exceptional orator. I think even his opponents would agree. I don't know if he is, I wouldn't regard him as the best. I think people like Vajpayee were more exceptional speakers but of the current

crop of politicians, the ability to speak extremely fluently for an hour without notes and gauge your audience and speak in colloquial Hindi, there are very few people where he has very few peers in contemporary Indian politics, maybe Sushma Swaraj is one. But I think that over the past several years he has clearly outstripped her in terms of his personal profile.

The weaknesses are very obvious. They are not that many but they are very serious weaknesses. And these would, I think, this is why in a contest I don't see him as the frontrunner. I see Rahul Gandhi as a frontrunner by quite a bit. Most important of course is that he is polarizing because of the riots of 2002. No matter, and you can get into different arguments and you can talk about riots and you can talk about how much he was to blame and so on, but that fact is that about 1,000 people died and two groups of people hold this against Narendra Modi in a very deep, consistent way.

One would be religious minorities, primarily Muslims. And second would be a large chunk of the intelligensia. I don't think that there is any overcoming it. They may be overcoming it with some people on the middle and he has gradually used his economic record to become more and more acceptable over the last decade. But I think that there is a ceiling of acceptability for him because of 2002 which is a much low ceiling of acceptability than for Rahul Gandhi who doesn't have any of this baggage.

And so, this is the biggest weakness that he faces. It's less of a weakness than it was. It's still a significant weakness. The biggest question for Narendra Modi's political career is, is this a weakness that can be transcended or

is this a weakness that is permanently crippling and we can have a discussion about that later.

Derived from that is the fact that the BJP which is already a smaller party than the Congress, the BJP is already a party which largely, especially if you're look at the shambles they're in in Karnataka right now, it's a party of the north and the west. It's a party of the north and the west that needs, so it needs allies more than Congress needs allies. And Narendra Modi arguably makes it less likely -- I mean think actually it's inarguably, inarguably makes it much less likely or the BJP to attract allies.

So, if you look at his inauguration for example, there was a lot of attention paid to the people who were there. But look at the people who were not there. Mamta Bannerji was not there. Chandrababu Naidu was not there. These are big states, big important states. Naveen Pattnaik was not there. And most tellingly, Nitish Kumar, who is a partner of the BJP in Bihar, was not there.

So, many Modi supporters seem to have this belief which I regard as fantastical and one of us is going to be -- either I'm going to be proven wrong or they are. That Modi, because of his tremendous charisma, is singlehandedly going to revive the BJP in UP, get the BJP between 180 and 200 seats. And then once you get to that, everybody is going to anyway sort of make a beeline to the Party because it's going to be the largest Party.

I am not so sure. I can't say definitively that he will not do that. But what I can say is that we have no evidence right now that Modi has electoral appeal outside Gujarat. We do have evidence that he has some kind of large fan

following in the urban middle class. We see that in polls. We see that anecdotally. We see that in news coverage but what this means in electoral terms your guess is as good as mine or is as good as anybody's. Until now, Modi has not won an election or not moved an election outside the borders of Gujarat. And if he has, he's only done it in a negative way in 2004 which is in the aftermath of the 2002 riots. So, we don't know if that's going to happen.

And finally, I would say that the last sort of negative that he suffers from is international acceptability. It's true that the UK has sort of thawed towards him and so has the EU. He had lunch with the group of EU ambassadors in January. And vibrant Gujarat and the Gujarat economic success story has really helped him tremendously and particularly over the last year we saw the focus of much international writing about Modi has shifted.

And I think that's right. It has shifted from the riots. Because after all they occurred in 2002, to what he's doing with the economy. It's not to say that one forgets the riots but the focus shifting to what is happening in Gujarat now, which is essentially a good news story and one of the few good news stories on the economic landscape, is logical and it has helped him. But even there there are limits. The US, for example, does not give him a Visa and he might say that he doesn't care and so on but this is the sort of thing that matters to his middle class constituency at some level.

And so, in terms of acceptability that's -- I don't think it as remotely as important as the impact on voters of his being associated with the riots or the impact on coalition partners. This is not a close third. I mean, if this is way back

but if I had to make a laundry list and add of all these weaknesses, I would put this as a little footnote as one additional weakness.

So, that's sort of my broad sense. And to conclude then, I would argue that obviously this is not just a two horse race. It is much more complex but the degree to which that two horse race is going to influence the larger picture, you have two extremely flawed candidates but also compelling candidates in other ways. And I would say that of the two, Rahul Gandhi starts with a vast natural advantage in terms of where he's sort of -- at the starting point he's ahead. But Narendra Modi has much more natural political smarts than Rahul Gandhi. And so, that's how I view the contest between these two.

MS. MADAN: Thanks Sadanand. Just to start off with the question on, one question each and both of you can answer them on each of the leading contenders that you've talked about.

In terms of Rahul Gandhi, if you were his campaign manager, what would you suggest he do in the next year or just a little over a year if we assume elections would be held late spring, summer, early summer in 2014? What would you suggest that he do to strengthen the case he can make to the country, as you mentioned, internally he's already made his case in some ways.

On Narendra Modi, in many ways he's been trying to move to the center. His speech at SRCC which is Shri Ram College of Commerce, India's preeminent commerce, undergraduate commerce college, it was heavily focused, this was part of his effort to move towards the center, heavily focused on what he called the politics of development. But at the same time while he's trying to move

to the center to appeal to a broader audience, you see some parts of the party including most recently the President of the BJP bringing back an issue that. the issue of Ram Mandir or the temple at Ayodhya which for most of those people in the audience at SRCC was last most resonant at a time when most them weren't even born.

How does Modi find a way to continue to move to the center not giving up what one would consider the center right or the right but to actually make a case in the center when people in the party are trying to move him to the right?

And just on kind of the broader issue. We've talked about these two candidates. If you guys could both spend a couple of minutes on who the dark horses are, that if it's not these two, who might we see that could surprise us in 2014 and become Prime Minister.

Do you want to go?

MR. DHUME: Sure. I'd love to be giving Rahul Gandhi advice. I think that he needs to accept who he is and play to those strengths. Rahul Gandhi's job is not to stop the Congress party from being dynastic. That's sort of like this blue-eyed blonde person who joins the Nazi Party to help racial diversity.

I mean, it's preposterous on the face of it. That is now what he should be doing. He should not be -- I don't think his sort of faux aam admi, spend a night in a dalit hut and show up and say that he is the protector of the tribals. I don't think that's washing with voters. He's tried it for many years.

He's been in politics for several years. We've seen the evidence.

Maybe it's a real tragedy and maybe really his heart does beat for the tribals of Niyamgiri and that's really what -- but it's not working politically. So, I would say that he should junk that and he should turn towards what is his natural constituency which thanks that, somehow the Congress seems to be losing to the BJP, which is this middle class constituency that Milan spoke about, too.

So, he should be and that would probably help him in two ways. One, it would help him because it would simply be more authentic. He's a younger person. He is fluent in both English and Hindi. He's fairly telegenic. You can imagine him having a conversation with college students and that sort of thing. So, he should play to that because that would actually be his strength.

And the second thing is that he needs to find a way to pivot away with the middle class from an extremely unpopular government. This is a government that is associated with policy paralysis and sloth. And what he could do is by addressing these people and the sort of the way I wrote about this just two weeks, the way I see as he does this is by embracing economic reform because then he can sort of position himself as the person who has come to take charge, has ideas, wants to push reform. He can distance himself from the paralysis on the other side. And given that the BJP has this reflex which is to just to oppose for the sake of opposing as they did with fuel price rationalization and other things, if the BJP opposes him on economic reform, the BJP undercuts Narendra Modi's trump card.

So, he can sort of -- I think it would make sense strategically. I think it would just be smart politics. That's what he should be doing. Do I think

he's going to do it? Unfortunately, no.

On Modi, if you want, on the Modi to the center thing I actually think that's overstated. I think what basically happens is that Rajnath Singh goes to the Kumbh mela and he goes to the Kumbh mela and they say, "Do you want to make the temple?" And he says, "Yes, we want to make the temple." And of course they know he's going to say yes we want to make the temple. He's with the BJP.

The thing to look at is is this going to be in their manifesto? Is this the sort of thing that they are going to be raising over and over on the campaign trail? Are we going to see the sort of surrogates whom we associated with the Ram Temple movement in its heyday, people like Sadhvi Rithambara and so on emerge? And I'd say the evidence for that, particularly if it's a campaign led by -- the odds of that particularly if it's a campaign led by Narendra Modi are extremely slim. Let's not forget that in Gujarat Narendra Modi has alienated the VHP and the RSS. His biggest enemies in Gujarat were the far right. Pravin Togadia can't stand him and I think he's very aware that this careful move to the center by trumpeting economic reform would be jeopardized most clearly, most immediately by the sort of VHP and extreme elements of the Sangh. And I don't see that happening. That's the short answer.

In terms of dark horses, the most obvious would have to be Mulayam Singh Yadav simply because in the end it becomes a question of numbers. UP has 80 seats. If they manage to perform well, if they do as well as they did in the last election they probably come in with the largest non-Congress,

non-BJP block. And so, I would say that the Yadavs in some form, if I had to pick a dark horse, that's the dark horse I'd pick.

MS. MADAN: Milan?

MR. VAISHNAV: Yes. I mean I don't find much to disagree with there. I mean I think on the Rahul Gandhi question, it's kind of remarkable really that where is the Congress political leadership on backing the reform move since September? Right? It took them a long time to come out and embrace it. And still now you sort of get the feeling that it's Chidambaram who's kind of reluctantly bringing them along.

But I mean, he has the opportunity to make a political case for why this is important and why we need to take these matters and why they matter. If you want to have social welfare spending, if you want to have natural role employment guarantee, if you want to have the right to education that you need growth. And he needs to make that link and it's frustrating. It's frustrating in the way I think a lot of Democrats felt in Washington watching Obama get battered on the stimulus and not find a message or on healthcare to really connect. It's a very similar kind of analogous feeling.

I think the second is we've seen an economic transformation in India. We've seen a political transformation; we've seen a foreign policy transformation. All of these are in progress and we haven't seen one on the institutional dimension on reform of the state. And I think this really comes to the fore in the most recent gang rape and all that's come out about the weaknesses in the police, in law enforcement and the justice system judiciary and he has a

chance to really tap into I think a lot of anger about this kind of stasis in the public sector. And this fact that India doesn't have the state that it needs for the 21st century. And I think there's a lot of middle class support for that sort of idea.

On the Modi question, I sort of agree with Sadanand. I mean, not only does the VHP and the RSS not like Modi in Gujarat; they were actively campaigning oftentimes with the constituency level against him. I mean, I think you're bound to have this back and forth rhetorically, you know, somebody is going to say something to the press and it's going to get out there. But I think Modi by, for instance getting Amit Shah who is right-hand man, a BJP General Secretary, moving more of his people to Delhi, trying to control the message, and the Sangh is not stupid either. I mean, they have an ideology that they are not going to give up but they also want power. And they realize that they are in position to exploit an opening.

So, I think the best of all worlds for them is to have this kind of pre-electoral ambiguity with Modi where they don't want to project him as PM. They want to kind of keep him around because he can do something good for them in terms of rally the base and so on and so forth. And then do a bait and switch after the election and try to marginalize him. I mean, I think that's what they're going to hope for.

On the dark horses, I think Mulayam is a good one. I mean, just to throw out all the things we've heard, I mean, the greatest conspiracy theory now is that well Rahul is going to pull a Sonia Gandhi and he is going to have this big renunciation act and they're going to bring in Chidambaram as the PM.

Which, you know, is plausible, I mean, I think the problem with Chidambaram is that he's not particularly word on the street is well-liked by some of his colleagues in the Party. And he doesn't really have a political base; in fact, he hardly, barely won his reelection in 2009.

On the BJP side, I think you have the leading dark horse would have to be Shivraj Singh Chauhan, the CM of Madhya Pradesh, who is a two-time Chief Minister and will most likely become a three-time Chief Minister. The problem there is his election is not until December I think. So, it happens very late in the year so it sort of depends. It's a long drumbeat for Modi that he has to sort of endure.

And I would say of the non-Congress, non-BJP in addition to Mulayam Singh Yadav, I mean I think you've got to put Jayalalithaa and Tamil Nadu on that list. I mean the ADMK won in a landslide in 2011. The DMK has been really badly weakened. Tamil Nadu is a big state. And she has shown in the past some flexibility to ally with both sides. So, she could be a dark on the UPA side or on the NVA side.

MR. DHUME: That's right. I mean she could potentially actually in fact have -- she could get as many seats or more seats than Mulayam.

MR. VAISHNAV: And I think to add to that, I mean generally the rule is if your state election is held within two years before a national election, that state election outcome is reaffirmed at the national level. I mean that's a general rule of thumb which would mean the Mulayam Singh Yadav would be in a very good position. Unfortunately, the first year or so of their administration UP

has been pretty bad. You know, going by what's been in the press and talking to people who really know UP politics. They had a big law and order problem.

They haven't governed particularly well. So, I'm not sure that it's so easy for him to recreate a mandate that would be as nice as the one he had a few years ago.

MS. MADAN: Milan, to pick up on something you had mentioned in your remarks, the generational change, there's much discussion about the need for a generational change. Some people have said that there will be one.

Rahul Gandhi, if he becomes Prime Minister in 2014, will be the youngest Prime Minister since his father became Prime Minister in '84. Even Narendra Modi who is 20 years older to him would be the youngest Prime Minister since 1996.

How much of an impact do you think there really will be? How much of a change do you really think there will be especially if that generational change is not just -- is only restricted or largely restricted to the senior most levels and not to the Cabinet and Party workers et cetera?

MR. VAISHNAV: I mean, I don't, if you're asking me if I expect the situation to change much I mean I don't think so. There are certainly no signs. I mean, Rahul Gandhi has made an effort to rejuvenate the youth Congress and to introduce or at least talk about the idea, the notion of intraparty democratic reform that might allow for more young talent to rise to the top.

Oftentimes what's happened in the past and I think this has happened in UP and Bihar is as elections approached, the Party hierarchy got

together and said wait. We don't want to have a complete electoral debacle so let's put our plans on intraparty reform on hold and let's just get the people who we think are the most winnable candidates.

And so, I don't think in the short term, now there's rumors in the media every week that he's been discussing with Congress Party elders how to democratize the Party. Let's see but just one final point that I wanted to mention that came up earlier is another thing that doesn't get talked about enough is the fact that there's not really a great precedent for Chief Ministers becoming Prime Ministers.

So, I just looked back at the list of how many people had done it and there are five. But only one of them which was Narasimha Rao actually ruled for a full five year term. And two of those Chief Ministers were kind of parachuted in as CMs. They weren't really sort of CMs. So, it could be maybe analogous to in the US where it's often been said that Governors have an easier job where Senators don't. For some reason, CMs don't seem to have a particular advantage in becoming PM. And I think that's something that we need to think about a little bit more.

MS. MADAN: Sadanand, one question for you before we throw the floor open to questions, however, whatever the next change is, whether we see a change in terms of party or leader, are we going to see any impact on foreign policy?

MR. DHUME: You mean after the next election?

MS. MADAN: After the next election or even in the next year or

two.

MR. DHUME: You know one of the things that was sort of a subtext of the Modi speech was trying to figure out if there was a world view there. I would argue that if -- so the short answer is that if Rahul Gandhi is elected I don't see any change. I think you essentially see, any way there's a great degree of continuity I would argue between the major parties in India. This is not a country that yo-yos in terms of foreign policy.

If Rahul Gandhi is elected, I would argue that you're going to just see more of the same. You might see different personnel. Maybe Shashi Tharoor comes back to the Foreign Ministry and so on but I would see, I would imagine there would be a great degree of continuity. And because of the nature of the Indian system I would say there will be that continuity regardless of who comes in on the other side, too. Though just as a footnote, not to say that this would radically change India's foreign policy, it was interesting that the countries that Modi brought up, even though he was mentioning them in economic terms, were places like South Korea, Japan, competition with China. Even though all of this was framed in economic terms, I think that there is a greater comfort with those countries or with the idea of competition being up front than you would see otherwise.

The only difference here, the only major difference which is not necessarily a Rahul Gandhi, Narendra Modi question, but more a Congress-BJP question, would be Pakistan. Where a BJP Government, particularly a BJP Government headed by Narendra Modi, the optics would just be so different. I

think there would be, you know, there would be dismay. There would be fraying of ties with both those neighbors because, you know, in India now you read about Modi every day as a familiar figure. He's become a much more nuanced figure. But my sense in speaking to people from Pakistan and Bangladesh is that they view him almost exclusively through 2002. So, that would have a huge impact. So, that's where it would be different.

MS. MADAN: We will take questions now. Please identify yourself and your affiliation and please wait for the mic which is just about there.

MR. RISER-KOSITSKY: Sasha Riser-Kositsky, Eurasia Group. I'm worried that the conversation today treated India's general election more as a Presidential race when in reality we know it's very different. And I was wondering, considering that the odds are now that the, as of now, the next general election is looking like it could result in a situation much like 1996 where you have a very, very weak coalition government, whether or not supported from the outside or made up in some part by either the BJP or the Congress. In that kind of situation, no matter who is nominally leading the coalition, what could realistically get done?

MS. MADAN: Milan?

MR. VAISHNAV: It's a good question. I mean I think we definitely overemphasized the Modi-Rahul Gandhi because that's been in the news and is always sort of worth talking about. But, I mean, really this is a mathematics problem at the end of the day, right? I mean, it's a problem about how do you get the coalition math right and how do you make the numbers add up?

And I think that's in addition to whatever advantages Rahul Gandhi might have. I mean I just think that the UPA has a natural advantage in that especially if Modi is the candidate. But I think you could have a situation where you had a coalition government with a non-Congress, non-BJP Prime Minister. Although, I wouldn't necessarily say that it has to be a weak one. I mean, I think what's been really interesting is if you think about the big reform moments in Indian political history, they have often happened in recent history in coalition times.

There's been a tremendous sort of amount of continuity and I think it also depends whether or not allies can come together and have sort of a common minimum program, just sort of establish principles. So, in some ways, I think horse trading could be easier if you have a coalition setup "weak coalition setup" than the prevailing notion. I don't know if you guys --

MR. DHUME: I mean no one knows what's it -- I mean we're still so far out. So, with that caveat I would say what you want to look at is do the BJP and the Congress together come to 272. If the two major parties together come to 272, halfway mark, then I think the natural tendency is going to be for a coalition to form around one or the other.

Where the Congress has a huge advantage because it is more acceptable, the BJP probably needs about 20 or 30 seats more to get to a point where it becomes attractive. So, I'm still not clear that it will be a '96, though it's certainly possible.

If it is a '96 kind of government, I would say going by past history,

going by the '96 history and 1989 and in 1977, they have all been weak. They have not been able to -- they've not survived and I don't think this would be different. So, if you do end up with that, my guess is that we would be seeing a holding pattern. Things would collapse and you go back and then there'll be more clarity a few years later. I don't think it will be good for policy with the one -- the one possibility could be that such a weak government may do better in terms of federalism.

There's been a real sort of over centralization taking place especially in economic policy over the last several years. And it is possible but that is really to be extremely optimistic about what is in innately pessimistic scenario.

MS. MADAN: The only thing I'd say is some things -- if it was a '96 like government in how it was formed but a third front in 2014 might look very different in the context in which it comes if it does would be very different in terms of the national dialogue about economic performance. What you need to deliver, how you can actually stay in government. There would be internal contradictions in the sense that to agree on who would actually lead that coalition, that's something.

I mean, we've seen this in the past where people have attempted to form coalitions and basically it's broken down on the fact that nobody can agree to who the actual leader will be. You know, not just in the beginning but over a space of time. So, I think, Indian politics has a way of surprising all of us and we might be surprised yet. And then it's just a question of horse trading. I

mean it will come down to who can get the maximum number of seats.

But, having said that, a lot of the parties that would be at that center now have very different stakes at their state levels. And so, that might actually change their calculations. We don't know that for sure cause it will depend on who the constituents are. But I suspect it might not be an exact image of what we saw in '96.

Other questions, please?

MR. ABHI: Hi. My name is Abhi. I am a civil servant from India and currently a Fellow at the South Asia Studies at Johns Hopkins. In context of the political developments and two personalities that you've described and gone into what do you think will be the political reaction of rural voters in India? Because I think you've spoken of the middle class and much of the middle class would cut across rural India but I'd like to know about that.

Second, the two personalities that you've spoken of, do you think they would come out with a clear stand on criminalization of politics which is the second issue after corruption which plagues the system? Thank you.

MS. MADAN: Sadanand?

MR. DHUME: What was the first part again? The rural voters. I don't know. What I can tell you is I hear two different versions, right?

So, on the BJP side and you should take this with a large pinch of salt, Narendra Modi's true believers are convinced that he can essentially be transformative across UP-Bihar rural, urban everything because he's seen as strong leader and charismatic and so on.

So, that's a view that is strongly held by many people within the BJP. Like I said, there's no evidence to support this from positive actions. So, the question really is, are we viewing this election as something completely new? Or are we viewing this election as a continuation of other elections?

If you take the second view, which I tend to take, it's difficult for the BJP. However, if I am wrong and you do have this charismatic figure who is able to change things then of course things would look much better for the BJP. So, that's the first thing from their point of view.

On the Congress side, again, it's a muddy picture because on the one hand we have seen some evidence now that voters have begun to discriminate between central and state elections. And you saw this classically in UP, right? Where in 2009 Congress did really well compared to where it was earlier and then a few years later in 2012 it did really dismally in the state election. And there was a sense as though the voters of UP were saying that well what we want is a stable government or as stable a government as we can get. And so, even UP is not splintered in that way at the assembly level but when it came to voting for the center many people still preferred the Congress to the local parties.

So, I would say that it's possible that you end up with the rural voters end up coalescing around one or the other leading party. But at this point there's no, I mean the polling is anyway sketchy. At this point there's no polling. We have no sense of the alliances. We have no sense of -- we don't even have a clear sense of who's going to be projected as a Prime Ministerial candidate.

There's just too many of (inaudible) to really to answer that well.

On criminalization I don't think, I mean everyone would make the right noises. Do I think that the next election is going to have dramatically fewer people running for election with criminal records? No. It's going to be winnability.

MR. VAISHNAV: And I think even if you just go by what's happened, it's been very interesting in the aftermath of the gang rape, right? So, now people like Mayawati and other party leaders said maybe we shouldn't give tickets to those candidates who have cases against them of rape, sexual crimes against women. Completely ignoring the fact that they give more tickets to people who have murder raps and kidnapping raps and extortion raps and you know, and so, it's -- you sort of -- it always begs the question well what about all these other people?

And it's sort of the same reaction I have to fast track courts. Fast track courts for rapists but what about fast track courts for the politicians who have serious criminal cases against them? So, these are -- I think we're likely to only see half measures. I mean I think people will continue to kind of talk on both sides of their mouth because the fact of the matter is people are concerned about winnability and for a variety of reasons. Candidates with criminal connections have proved to be quite winnable.

MS. MADAN: There's a question over there.

MR. LAKSHMAN: Narayana Lakshman with the Hindu. I had a question sort of builds on the previous one regarding rural voters' perceptions.

But I was wondering if you could comment specifically on the policies of the two candidates or their parties most notably for Mr. Modi. Is there really a sort of very clean acceptance of his record as a transformative economic leader? Because there have been reports even by the planning commission pointing to malnutrition in Gujarat, child malnutrition and so forth.

And for, on the Gandhis or the Congress side, has the -- have policies like the NREGA and now the, I think there's a direct cash transfer scheme, are these being seen by rural voters as having real mass appeal and can that make a difference to the next election?

MR. VAISHNAV: That's a good question. I mean I think it comes down to two fundamentally different visions about how to use state power. So, in Gujarat I was strike by the extent to which Modi and his proponents really advocated for a kind of top down, sort of trickle down growth story where they didn't necessarily see it as the role of the state to be highly interventionist to reduce inequalities and inequities in society either on a minority dimension or a rich poor dimension. And it really wasn't until 2007 and 2008 that the Modi Government really started investing in social welfare.

If you just look at budgetary figures, so, you know the entire, the first five years it just really didn't occur to him apparently that this was something that state power should be harnessed for. And as a result, there have been improvements if you look over the entirety of Modi's tenure in terms of literacy, malnutrition, infant mortality, but they still rank as you suggested among the middle of the pack if not belong the median on many of these things.

I think on the flip side, Congress has seen it as sort of its bread and butter to use state power to try to redress all kinds of inequalities in society but it just hasn't really done so very effectively. And I think a lot of people are hoping through the use of direct cash transfer that this will be a "governance game changer". The problem is there's nothing wrong with using cash transfers or using the unique biometric ID Adhaar Program. But the way in which it's been rolled out, my perception anyway, on an electoral basis rather than really thinking through what are the kinds of local infrastructure needs, what are the kinds of financial inclusion needs we have to meet to make sure that people have bank accounts so that we don't just end up in a scenario where there are a lot of promises yet there are still of leakage, there's still a lot of inefficiencies in the system, and I think that's where Congress really has fallen down. So, people are sort of hopeful that this will be a game changer but I don't think that they perceive it to be in the short run anyway that much better. And if you just look at the Food Security Bill where they want to move to cash transfers but they also want to double down on the existing public distribution system which people agree is broken. So, they're sort of, I think, hedging their bets.

MR. DHUME: On the rural question, I don't have a good answer. And I suspect that the kind of answers that you get really depend on what people want to hear or what people want to believe is at least what I -- so I haven't been able to nail that down. So, I don't know whether Modi has appeal in rural India. I hear that he has great appeal only from people who think he's terrific and I hear that he has no appeal only from people who think he's terrible. So, there's no

accurate way to gauge that.

That said, I don't think this is going to swing on the level of granularity is it, is their malnutrition numbers one point above Maharashtra or something. It's going to come down to can he convince rural India that this is big man did good? Has the message sort of seeped in in that very, very basic macro level? That's what he's going to try to do and that's what it's going to hinge on. It's not going to be the sophisticated debate about well this was eight point zero two percent and that was nine point seven on one HDI indicator out of 15. That's not how it's going to work at all.

It's going to just be can this idea of him as this person who brings good governance, is that something that people buy outside of his state? And we don't know the answer to that question.

On NREGA and so on, I mean clearly there's evidence from two elections that are -- from the 2009 election at least that it seems to have some impact. These schemes seemed to have helped Congress. I would get that they're going to go into the next election on cash transfer and food subsidy and arguably these schemes have never worked particularly well in India. So, it's not as though between 2004 and 2009 things were working super efficiently. But the question is whether these are going to be sufficient to counteract a deeper sense of drift and malaise. Or will the fact that growth has gone from four and a half percent, gone from nine point seven percent to four and a half? Do these kind of things start affecting the rural vote? And great question. I mean I wish I had better answers but at this point we just don't know.

MS. MADAN: We'll quickly take the two questions and the third question here together and then Milan and Sadanand if you could answer.

If you could actually start there?

MR. YASHWANT: Hi. Yashwant from Hindustan times. Two questions. Basically one on Rahul Gandhi, I'm no fan of this guy but I have a lot of sympathy for him. How do you expect him, he is a Crown Prince but how do you expect him to work independently with his mother looking over his shoulder and there is a Prime Minister. The country has a Prime Minister who is not a stamp head. He takes real decisions and so, I often wonder and the problem with this guy is he never speaks his mind. He's never given an interview where he was asked about these things and why he doesn't come out.

For instance, you talked about the gang rape and so, what do you expect him to do? Should he come out and join those guys on the Rajpat? I mean he is of the ruling party. So, that's one, your comments on this.

And on Modi, do you see a huge amount of enthusiasm for him in BJP? He has a huge fan base outside the BJP and outside Gujarat but do you see a lot of enthusiasm for him in the BJP? After all there are lots of Prime Ministers in waiting there including Mr. Advani himself. So, your thoughts?

MS. MADAN: One question here and one at the back.

MS. KEHOE: Good afternoon. Melissa Kehoe, National Defense University. I have a question about US government engagement with India. First of all, do you think that engagement is on the right track? And then secondly, do you think that engagement should change if the BJP were to win the election?

MS. BARBONE: Hi, I'm Contessa Barbone of the New York Times. I'd like to ask which candidate or party can help with the women's condition and who should support women's rights and equality?

MS. MADAN: Milan, do you want to start?

MR. VAISHNAV: Sure. So, let me just start with the Modi question on the BJP support. I mean I think there's a divide. I perceive a divide between the BJP leadership which is quite hesitant and somewhat weary of Narendra Modi and the rank and file in the (inaudible) which is quite excited by him because of his good governance image, because of his ability to kind of mobilize and frankly because they want to win. And they find that he gives them their best chance but I think but I think the leadership is turned off by his penchant for putting himself above the party. But even in Gujarat on the stump he would say vote for me. Don't worry about what candidate is there or the party. Vote for me.

So, there is this sense that there is a personalization of politics which I think people are quite uncomfortable about. Compounding that is the fact that a lot of the party leadership spend their days talking with leaders from other potential parties and allies and they're hearing it in their ears that look if you go down this path it's going to be very difficult for us to strike a deal with you. And I think that they're thinking about how do we get the Bihars and the Orissas and the UPs and the Andhras in our column and Modi has to complicate that even among people who are traditional allies like the Shiv Sena.

The Shiv Sena has mixed feelings about Modi. On Rahul, I agree

with you. I mean I think you have to -- it's hard not to feel sympathy for his position. And the issue of the mother, Sonia Gandhi, I mean maybe we need a psychiatrist or something to kind of tease out all these elements but, I mean, there's a question about whether or not in her poor health, perhaps declining health that she's taking more of a back seat. But the issue is, is he not allowed to speak his own mind or it is that he just doesn't come forward? That for some reason there is not the burning desire or passion to come in and really take a stand. And I'm beginning to feel that it is, and I'll mention that maybe it's a combination of these two.

I think on women's rights who will be better, I mean I think I am hoping that recent events and the continued sustained engagement is going to shake up political parties into addressing this. I think what's really going to be important and this doesn't really answer your question is that the people who are protesting in the streets who are practicing a kind of agitational politics that they really shift to a more pragmatic politics. In talking about legislation and talking about reform and talking about regulations and I think this is already happening.

I mean you're seeing this really intellectual debate about the Verma Committee's reports and the sexual violence ordinance that came after. That has to be sustained. I think we need to actually have some old-fashioned US style lobbying in public interest engagement in order to shape the parties.

MR. DHUME: I'll take the women's one first because it's the easiest. I don't see it being a major issue with either party. I would say that if I had to say between the two major parties, marginally I would say that as a policy

issue it matters more to Congress. Not to say that it matters a great deal but at least it's certainly in, they back stuff like women's reservation in Parliament. But it's not going to be a big issue and I don't really see one party or the other doing anything dramatic. So, that's that question.

On Rahul Gandhi, I mean, I really think that what -- I don't expect him to take charge and start rolling out policies but I expect to see two things. I expect to see that he has positions on issues because those positions would automatically, given who he is and given the nature of the party and given the nature of the relationship between the party and the government, those would begin to translate into policy.

So, it's important for him to define himself as what does he stand for. We need to know that. It's been far too long and we don't. And the second thing is that he needs to show that he has a politician's instincts. Yes, to answer your question about the protests, absolutely yes. And in fact, Sheila Dikshit showed exactly those instincts. It's a different matter that she was booed away because people were angry but she showed the right instincts. He doesn't show those instincts.

I need to see more evidence that this person wants to be Prime Minister of India and not President CPR. And that's sort of that you don't get that. His only interventions are weird and overly intellectualized. And he has no, he doesn't seem to have -- not everyone is a natural politician. This person at least so far is really quite far from just having even a normal set of political instincts which you see in other people like Sachin Pilot, Milind Deora and a lot of

the younger people. So, that's really something that he needs to work on.

On Modi, I agree with everything that Milan said. Yes, at the top among top leadership there is ambiguity. I think people; I think they also understand some of the drawbacks for the party as well as some of the positives. But from everything I've heard, you know the people at the block level, district level, I mean there's never a unanimity but this would be close to unanimity -- I mean, they really want Modi.

So, for a good example of that is after his Gujarat victory he came to the BJP office, right? It was just some impromptu thing and apparently it filled up. There was standing room only. And I mean, it's just, he has for you -- if you get away from the top leadership he has rock star appeal with their most committed voter. So, that's sort of -- there's no question about that. And he knows that. He knows that he had that power.

In terms of the US-India engagement, I mean I'd love to sort of hear Tanvi's take and Milan's take on this. My sense is that it's fairly stable. There's bipartisan consensus over here. There's a consensus in India too. I don't see one government or the other dramatically changing it. I do think that there is a sense in Washington that by and large the NDA was more enthusiastic and more proactive than this Government but then this Government hasn't been - or at least in the last few years, post-nuclear deal. But then this current government in India hasn't really been proactive about anything really. Right? On policy on any fronts, so, but yes, the short answer is that I don't see a dramatic difference between the parties on this.

MS. MADAN: I mean I'd just say that I think it depends on what kind of policies because you could see not just a BJP/NDA government. But even if we do see a Congress or a UPA government deciding that economic reforms are necessary then you will see a difference in terms of the investment climate and kind of the constituencies that they'll have here. And the opposite if you go the opposite way at some point you start having fatigue in the part of the private sector here with Indian policies.

And that clear either way depending on the actual policies. And I think that's more to do with the policies that either side decides to follow rather than the party itself. I think the other thing is maybe it's -- I agree with Sadanand and I think more or less there tends to be consensus on this.

The one thing I think rhetorically and I do think this matters rhetorically because it does set the tone in some ways is that whoever's in Government tends to have a very different policy when they're in opposition. And this has been, I mean the NDA which very much helped the US-India relationship reached the point that it did where US-India nuclear deal could be signed. Turned around and attacked the deal not on the basis of a specific in the deal but on the basis of the fact that it was moving away from non-alignment.

This is kind of ironic for a party that used to criticize the Congress party for using the term non-alignment. So, that's something we will see. It depends on how far it goes. I suspect like most things especially when we're in an election year, the focus is going to be domestic rather than foreign. I can't remember an election where somebody voted on foreign policy though one can

remember, I mean, the fact that the Government did put its survival on the line on a foreign policy issue, the US-India nuclear deal. That was actually significant but elections; I'm not sure how much that's going to matter.

Just on women's rights before we conclude and I think one that is, that we might see in terms of the BJP bringing it up. If they couch it in terms of a governance/law and order issue where they will -- you could see a Modi perhaps or other depending on what happens over the next year or so, try to not -- and I think part of this was spoiled by the fact that some of them, the BJP and NDA ministers came out and made some pretty controversial comments about women's rights as well. But you could see particular people who have a good track record, if they can make that argument that this is not just a women's rights issue but a law and order issue.

Having said that, I think a really positive sign this is one of the few times we're actually hearing this issue being discussed. Where people's views, politician's views on these questions are being looked at and that's a good sign that this is now, I think Milan's point that we're yet to see if this is a) sustainable and b) that this will actually translate to something at the ballot box. That's something that we're just going to have to I think wait and see. But hopefully it will actually continue to be part of the national debate.

Thank you so much for coming. We know it's hard to spend so much time inside on such a sunny day. But we do appreciate it. Thank you all.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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