

India's prime minister announces resignation

Keith Jones
6 January 2014

Indian Prime Minister Manmohan Singh told a press conference last Friday that he will step down following the national election to be held in April-May 2014.

The head of the Congress Party-led United Progressive Alliance (UPA) coalition government since it came to power in May 2004, Singh has always insisted that he serves as the head of India's government at the pleasure of Congress Party President Sonia Gandhi.

It is widely expected that the Congress Party will now name Rahul Gandhi—Sonia's 43 year-old son and the heir to the Nehru-Gandhi political dynasty—as its prime ministerial candidate.

Singh voiced support for Rahul Gandhi at his press conference, saying he would be honored to serve in a government headed by him. "Rahul Gandhi has outstanding credentials to be nominated," asserted Singh. "And I hope our party will take the decision at an appropriate time."

It had long been rumored that the 81 year-old Singh would not serve a third-term as India's prime minister. Nevertheless, the timing of his resignation announcement is a sign of mounting apprehension, if not panic, in the Congress leadership at the party's election prospects under conditions where India's economy has been battered by the world economic crisis. Economic growth has been halved since 2011; prices are rising at well over 10 percent per year; and the world's credit-rating agencies have warned that unless the next government moves decisively to slash social spending and institute "investor-friendly" policies, they will reduce India's credit-rating to junk-bond status.

Only a few weeks ago, the Congress high command was insisting there was no need for it to name a prime ministerial candidate prior to the general election. But indications that the party is facing an electoral rout continue to mount.

The Congress took a drubbing in elections held last month in five states, losing more than half of its state assembly seats and falling from office in Rajasthan and the National Capital Territory, Delhi. Not only did this defeat portend badly for the Congress' showing in the national elections, it has adversely impacted the Congress' wheeling-and-dealing with a myriad of regional and caste-based parties over electoral alliances and seat-sharing. Such alliances are

essential both to win seats and make a post-election bid for power, under conditions where no single party has won a parliamentary majority since 1984.

Opinion polls—which admittedly are notoriously inaccurate in India—show the Congress Party trailing badly behind the Official Opposition, Bharatiya Janata Party or BJP.

The Hindu supremacist BJP is mounting a presidential-style election campaign revolving around its prime ministerial candidate, Narendra Modi—the arch-chauvinist and self-styled Hindu strongman who has served as Chief Minister of Gujarat for the past twelve years.

To the Congress' chagrin, much of corporate India has shifted its support to Modi with the expectation that he will replicate at the national level his success in Gujarat in running roughshod over popular opposition to pro-big business policies and development projects.

As the finance minister in the early 1990s who oversaw the dismantling of India's nationally-regulated economy and its embrace of neo-liberal, pro-market "reform", Manmohan Singh long enjoyed the confidence of Indian big business.

However his stock fell sharply in recent years. Big business grew increasingly impatient and angered over the UPA government's perceived failure to push ahead with market reforms in the face of massive popular opposition.

Singh himself was increasingly dismissed in big business circles as a "ditherer."

In Sept. 2012, the government announced a "big bang" program of economic reforms, including the opening up of the retail sector to Walmart-style multi-brand stores, an acceleration of privatization and disinvestment, and a sharp reduction in the price-subsidy for liquefied natural gas. In a nationally televised address, Singh defended these measures, saying Indians had to tighten their belts so as to generate the foreign investment needed to create jobs—this in a country where half of all children are malnourished and three-quarters of the population survives on less than two dollars per day.

Singh's callousness notwithstanding, the boost in foreign investment and in domestic business enthusiasm for the UPA government generated by the "big bang" measures proved short-lived.

As India's economy has been rocked by crisis over the past year, ruling class resentment and anger with the government has hardened. After a sharp depreciation of the rupee spiked fears India could soon face a current accounts crisis, one prominent observer suggested Manmohan Singh might be better remembered for the economic crisis of 2012 than his role two decades earlier in spearheading the drive to make India a cheap-labor producer for global capitalism.

India's corporate-owned dailies are full of editorials and commentary deploring the Congress' "populism"—a code-word for the meager increases in social spending the UPA government has implemented, mainly during its first-term when India was experiencing record economic growth.

Congress Vice-President Rahul Gandhi placed his party's hackneyed claims to be the party of "inclusive growth" at the center of Congress' recent disastrous state-election campaign. No doubt masses of workers and broad sections of the rural poor view this as a cruel joke. India spends tiny fractions of its GDP on health care and education, 1.5 and 3.75 percent respectively. Moreover, to appease Indian and foreign big business, the government is determined to slash social spending, as well as eliminate all gasoline and diesel price-subsidies. Yet for much of big business, Gandhi's harping on Congress' ostensible "pro-poor" agenda only confirms them in their hostility to the government.

At his press conference—only the third in his almost ten years as prime minister—Singh touted India's economic growth under the UPA. In doing so, he blithely ignored that the fruits of this growth have been monopolized by a tiny strata of the rich, super-rich and the most privileged sections of the middle class, and, moreover, that the world economic crisis has demonstrably pulled the rug out from under India's capitalist expansion, exposing its extreme dependence on foreign capital inflows and fragility.

While suggesting the Congress' recent electoral reversals were due at least in part to popular anger over food price rises, Singh claimed his government had done enough to help the poor: "I will be honest enough," said Singh, "to say that, it could be that price rise was a factor in the people's turning against the Congress party. ...But having said that, I would also like to say that we have taken enough measures to protect the weaker sections. That should not be lost."

Singh was equally cavalier in dismissing the evidence that the UPA government sold off at fire-sale prices and in some cases even gifted telecom spectrum and coal reserves to Indian big business. He said the claims of corrupt transactions are vastly exaggerated, made a show of insisting on his personal probity, and claimed that his government's re-election in 2009 was the voters' verdict on its honesty (even though virtually all of the evidence of the cash-nexus between big business and the UPA government only

emerged afterward).

Asked what he considered the highpoint of his prime ministership, Singh pointed to the Indo-US Nuclear Accord, the 2008 agreement meant to cement a "global Indo-US strategic partnership." To secure the Accord's adoption, Singh led the Congress Party in effectively kicking the Stalinist-led Left Front, which had been providing the UPA with its parliamentary majority, out of the government.

India's elite overwhelmingly supports the nuclear deal. But there are widespread complaints from big business and sections of the military-strategic apparatus that the UPA in its second term did not sufficiently exploit the US's eagerness to build up India as a counterweight to China.

Singh told last Friday's press conference a Modi-led BJP government would be "disastrous" for India. Then, in answer to a question about the BJP's claim that he had been a "weak prime minister," Singh charged that Modi had "preside(d) over a mass massacre of innocent citizens on the streets of Ahmedabad"—a reference to the Chief Minister's role in instigating and abetting the 2002 anti-Muslim pogrom in Gujarat.

Having blurted out this truth and declared that this is the type of "strong" leadership India does not need, Singh quickly moved on. This is standard practice for the Congress Party, which has a long record of adapting to, and conniving with, the Hindu right stretching back to before the 1947 communal Partition of the Indian subcontinent. During the decade that Singh led India's government, it mounted no serious effort to expose and prosecute those responsible for the Gujarat program for fear of provoking the ire of the BJP and sections of the state apparatus and destabilizing, thereby, the politics and political instruments of the Indian bourgeoisie. Indeed, Singh repeatedly offered his hand in collaboration with the BJP.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact