

# India: Congress Party trumpets “inclusive growth” in hopes of averting poll debacle

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The Congress Party—the dominant partner in India’s outgoing two-term United Progressive Alliance (UPA) coalition government—is, by all accounts, facing a debacle in India’s national election. Voting in the nine-phase election, which began April 7, concludes on May 12, with the votes to be tabulated May 16.

Indian big business has traditionally viewed the Congress as its premier political instrument. But in this election most of the corporate elite has rallied round the official opposition Bharatiya Janata Party (BJP) and its prime ministerial candidate, the Gujarat Chief Minister and self-styled Hindu strongman Narendra Modi.

The Congress Party has led the two-decade-old drive to transform India into a cheap-labour producer and back-office for world capitalism through the implementation of neo-liberal reform. It likewise spearheaded two other major policy shifts that enjoy near unanimous ruling-class support: the forming of an Indo-US “strategic” partnership; and the rapid expansion of India’s military, including the development of a land, sea and air nuclear-strike force and a blue-water navy.

Big business’s confidence in the Congress, however, has been shaken by its failure to push through a further wave of social incendiary pro-market reforms in the face of mass popular opposition. Indian Prime Minister Manmohan Singh was long a darling of domestic and international capital. But during the last three years, as Indian capitalism was battered by the world economic crisis, his stock crashed. Big business pilloried him as a “ditherer” for not moving more aggressively to remove the remaining regulatory restraints on capital and impose massive social spending cuts. Some business spokesmen have gone so far as to say that Singh, who announced last January that he will step down once the elections are concluded, shall be more remembered for presiding over the unravelling of India’s recent rapid capitalist expansion than for his role in initiating its “new economic policy”, when he served as finance minister in the early 1990s.

Masses of workers and rural toilers, meanwhile, are angry with the Congress-led UPA government because of its indifference to soaring prices and mass unemployment and under-employment. While the Congress continues to boast about a handful of years of 9 percent-plus growth in the

previous decade, India’s economy is mired in stagflation. The economy is expanding at less than 5 percent—far less than the rate required to provide jobs to the country’s rapidly growing labor force—and food prices have been rising at well over 10 percent per annum for years.

Working people have also been outraged by a series of corruption scandals that have lifted the veil on the cash-nexus between India’s corporate houses and the government. The Congress-led UPA has sold off at fire-sale prices and in some cases outright gifted tens of billions of dollars worth of public assets, including telecom spectrum and gas and coal fields, to big business.

There are numerous signs the Congress is heading for an historic electoral defeat, from the trashing it received in a series of state elections last December, to this week’s statement by Ahmed Patel, the political secretary to Congress President Sonia Gandhi, that the Congress may have to support a government led by a ragtag collation of regional and casteist parties to keep the BJP from office.

The Congress has been deserted by many of its UPA partners. Its two largest allies in the last election, the West Bengal-based Trinamul Congress and the Tamil-regionalist DMK, quit the UPA in 2012 and 2013 respectively. In the run-up to the election, the Congress sought to woo a long list of regional and caste-based parties, but invariably, these parties spurned their overtures on the calculation that joining forces with a hugely unpopular Congress Party would cost them votes and seats. Over heated opposition, the Congress pushed through the bifurcation of Andhra Pradesh, with the expectation that the party that led the agitation for Telangana statehood would ally with it. Instead, the Telangana Rashtra Samithi has chosen to contest the elections alone, while signaling its readiness post-poll to consider joining a BJP-led government.

The UPA now consists of a half dozen parties, most of which had only one or two seats in the last parliament.

Several senior Congress leaders have chosen to sit out the election, most importantly Finance Minister P. Chidambaram and Information and Broadcasting Minister Manish Tiwari.

The party rank and file had expected that Rahul Gandhi—the heir to the Nehru-Gandhi family political dynasty that has dominated the Congress for the past six decades—would be

named the party's prime ministerial candidate. However, fearing that a battering at the polls would damage Rahul Gandhi's future prospects, the Congress leadership backed off, on the pretext that naming a prime ministerial candidate prior to an election isn't part of the Congress "tradition".

In the hopes of staving off a debacle at the polls, the Congress is amplifying its longstanding claims to be the party of "inclusive growth" and staunchest opponent of communalism.

Both claims are lies.

The Congress-led UPA has presided over a staggering growth in social inequality. And while it declaims against the Hindu supremacist BJP, the Congress has a decades-long history of adapting to and conniving with the Hindu right, including in the 1947 communal Partition of India.

The benefits of India's economic growth have been monopolized by a tiny capitalist elite and the upper echelons of the middle class. According to a recent report, India now has more than a hundred billionaires and the world's third-largest population of ultra-high net-worth individuals.

This is the same India in which half of the children are malnourished, three-quarters of the population survives on less than two dollars US per day, and the state spends the equivalent of just three percent of GNP on education and only half that on health care. So dire are the conditions facing small farmers more than 250,000 have committed suicide over the past 16 years.

During the UPA's first term when India was experiencing record growth, the Congress used a small portion of the increase in government revenue to fund a handful of new social spending initiatives. The most important of these, the National Rural Employment Guarantee program, is supposed to provide one member of every rural household with 100 days of employment per year at just 100 rupees (US \$1.60) per day. Demand has always greatly exceeded the number of NREG places, but the government has already sharply curtailed NREG expenditure as part of an austerity drive aimed at resolving the government's fiscal crisis at the expense of working people.

Under conditions where India was facing acute agrarian distress, the NREG initially buoyed support for the Congress and contributed to the UPA's reelection in 2009. In the current campaign, the Congress leadership is cynically trying to reprise this trick.

Although it has formed India's central government for most of the six-and-half decades since independence, Congress claims that if only it is returned to power it will establish a series of new "rights", including to health, education, pensions, and "social security".

These empty promises are coupled with commitments to big business to reduce the deficit to GDP ratio to 3 percent by 2016-17, institute a regressive national goods and services tax so as to shift an even larger share of the tax burden on working people, and implement a "more flexible labour policy". Domestic and international big business have long demanded

the abolition of all restrictions on layoffs and plant closures.

The Congress is also pledging to intensify Operation Green Hunt. Launched by the UPA in 2009, this nationally-coordinated military offensive is aimed at removing all opposition to lucrative resource extraction projects in the jungle and highland regions of east India. "Left wing extremism", declares the Congress election manifesto, "will be dealt with a firm hand. We will strengthen our security forces in the affected areas by augmenting equipment, infrastructure, and manpower".

Congress spokesmen castigate the BJP for its reactionary communal appeals, even labeling it "fascist" when they consider it politic. But the Congress has aided and abetted the rise of communal reaction, including at times tacitly supporting the reactionary BJP-RSS campaign to build a Hindu temple on the site of the Babri Masjid (mosque) in Ayodhya.

Like its BJP rivals, the Congress has stoked conflict with Pakistan as a means of diverting social discontent and overcoming popular opposition to the rapid expansion of India's armed forces. In the wake of the 2008 Mumbai terrorist atrocity, the Congress joined hands with the BJP to pass draconian "anti-terrorism" legislation.

That the Congress has chosen a former three-time BJP legislator to stand against Modi in the Hindu "holy city" of Varanasi (Benares) is in keeping with the manner in which the Congress "fights" the BJP. In the aftermath of the 2002 Gujarat anti-Muslim pogrom, which was instigated and facilitated by Modi and his state government, the Congress's Gujarat state unit pursued a communalist policy that even the corporate media derided as "Hindutva (Hindu nationalist) lite".

The Congress's indifference and hostility to the defence of democratic rights is exemplified by its ongoing cover-up of the illegal actions of a secret army unit set up and overseen by former army chief V.K. Singh. (See: "India's government lies about 2012 military coup fears")

Among other crimes, this unit bugged Ministry of Defence officials and sought to overthrow the elected state government of Jammu and Kashmir. Yet the Congress is determined to keep the public completely in the dark about its activities and otherwise prevent the Indian people from gaining any insight into the ultra-reactionary forces that are being incubated within the India's armed forces. This is because the Congress, like the entire ruling class, considers the military pivotal to realizing their ambitions to make India a great power and, even more importantly, the bulwark of India's ever-more unequal and crisis-ridden capitalist social order.



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