Date: 9th April’2014

WILL THE  CHANGE OF GAURD USHER A CHANGE ?

The  election pitch is reaching a crescendo and it is impossible to resist the temptation to comment and write a piece. The stock markets and the foreign exchange markets have joined the party. The so called intelligentsia are going overboard with their  takes. The most reputed journal of economics " The economist" is carrying  a lead opinion piece  on Indian election scene and it's consequences. Not to be left behind, the New York Times and The Washington Post have also carried op- ed pieces. The atmosphere is so charged, national media has nothing else to report except the poll issues. I was even surprised to find that the largest circulated business daily of India has used it's full space with reports and opinion pieces about the polls.

Every Lok Sabha poll in India is different. The note worthy feature of the present poll is it's overbearing attention to the economic issues. Though the earlier polls were centered around " Pani, Bigili, aur Sadak", meaning water, power and roads, the present poll issue is centered around economic development,governance, inflation and corruption in economic decisions. It is amusing to see many spokes persons of the national and state level parties debating  on the various economic indices and numbers. It is clearly visible that the economists in the spokes persons scoring brownie points over their rivals, driving home the point that good economics is good politics.

There seems to be vertical divide in the opinion of the performance of the UPA 2,  rent seekers apart. Some of the big names in the stock market and private financial institutions have been blogging and signing praises where as many others experts are condemning and blaming UPA for all the ills of the economy.   Though there could be many ways to look at the economy, it's the opinion of the common voter, the Aam aadmi, that matters the most for the political parties in the polls and the UPA seems to be struggling to convince them.  The food inflation which has been haunting the commoner in the last three to four years is one of the most visible indicators for the voter frustration. The cumulative double digit food inflation has sent the prices so high even common fruits and vegetables have become unaffordable, though the government is in denial.  He has suffered in silence and is waiting with hope that a new dispensation would help his cause.

The second visible factor is jobs. India has witnessed a marked change in the voters composition. The notable feature of the present election is that youth and middle class form a much higher proportion in the electorate. This  aspirational class is thoroughly disappointed with the present job scene. Many studies have confirmed the ground realities of shrinking jobs due to lower growth in the economy. The often quoted demographic advantage seems like a  mirage as millions of youth are joining this pool continuously. All the high sounding economic jargon does not mean anything to these job aspirants if the government cannot act as a catalyst for development and consequent job creation. Youth, by definition are boisterous and impatient. They cannot wait endlessly for decent jobs and are likely to show their anger by opting for a change in the government. The governments performance on the above two crucial issues is quite poor. This will haunt them no end in this election.

But, the most important yardstick, according to me is not the numbers and percentages. Is the government of the day doing enough to push the development agenda to achieve the country's  full potential. India and China had similar economic numbers some forty years ago. But china has grown tremendously and the per capita income has jumped by almost fifteen times in the last three decades. With a huge base, it continues to add about 0.5 trillion dollars every year to it's GDP. India also holds a similar potential and any evaluation of the performance of the economy  must be based only on this potential and not the historical averages, and  comparison between NDA and UPA is like saying that one-eyed will a better leader in the kingdom of blind. The usual argument that democracy and consensus politics slows down growth is bunkum and just serves as an alibi for lack of  aggressive approach. With right governance, India can grow much faster as demonstrated by our neighbor and giving reasons and justifications will not help.

New winds seem to be blowing and a new generation of leaders are pledging to dust off the legacy and move forward with new vigor and direction.( As I am writing this piece, the manifesto of the BJP was announced and the prime minister candidate rightly pointed out that their focus would be only development, progress and governance) India has lost three generations of development since independence and is at a juncture to reverse the trend. Lets hope the next generation is lucky to be better governed.  It's difficult to move an elephant, specially the one in slumber, bur let's hope it will start moving, moving really fast.