

Indian chief

JASON OVERDORF and SUDIP MAZUMDAR

FOR much of the past 15 years, Indian politics were so chaotic that a prime minister would spend most of his first 100 days focused on a single objective: holding onto power. But Manmohan Singh's surprisingly decisive victory in last month's election -- coupled with the global economic crisis -- has suddenly put him on an American president's schedule: you have 100 days, now get to work fast.

Believing that the Congress Party's near-majority in Parliament will free Singh to slash red tape and spur growth, bankers, columnists, lobbyists and think tanks have spent the time since the poll results were announced on May 16 issuing a torrent of to-do lists for the prime minister. But probably the boldest and most innovative agenda has come from Singh himself.

Conceived during the election campaign, at a time when nobody else had much faith in him, his 100-day plan is filled with specific, substantive measures that range from selling stakes in state-owned companies to restructuring rules on public-private partnerships to removing bottlenecks that have delayed some \$15 billion worth of road projects to enacting a new food-security law.

Together, the advances might just amount to the big-bang reforms that India has been awaiting for nearly a decade now. And having vanquished his foes on the left and the right and earned the unquestioning faith of Sonia and Rahul Gandhi, his party's leaders, Singh might even manage to get it all done.

Not everyone is happy with his plans. Despite being best-known as the architect of India's economic opening in 1991, today the prime minister's got other things on his mind. He, Sonia and Rahul are intent on reforming -- or transforming -- India, but not in a way prescribed by international moneymen or CEOs. Instead, under the short-hand "inclusive growth," they aim to carve out a new path that, if successful, could provide a road map for developing countries worldwide.

Central to their goal are measures some people might not consider reforms at all. First among them are a National Rural

Employment Guarantee Scheme (NREGS) and a Right to Information Act (RTI). Decried by some economists as a populist sop, the NREGS is in fact designed to revolutionise India's leaky bureaucratic mechanism for dispersing money and to free the poor from exploitative middlemen by channeling an unprecedented level of funds (and decision-making power) to village-level elected officials. Singh believes that, like Franklin Roosevelt's New Deal, this stimulus plan will put money in the hands of the people most likely to spend it well and will create a social safety net that will help unleash their productive capacities. Meanwhile, Congress plans to expand the use of the RTI, which was enacted in 2005, and to pass a few new laws to make bureaucrats, politicians, and judges more accountable by shining a bright light on their activities.

In a country where even the trash in a government wastebasket is frequently considered classified information, the RTI is groundbreaking. Under the law, ordinary people can for the first time get a look at the books of their local ration shops, say, or at government departments -- and see what corrupt officials have been skimming off the top, delivering to fictitious beneficiaries, or just plain stealing. And because the information must be made available within 30 days or the official in charge will face immediate punishment, whistle-blowers get results from RTI cases much faster than they would from India's progressive but slow-as-molasses legal system.

Still, until recently, no one has pushed RTI far enough to enjoy its full potential. Now Rahul is striving to do just that by urging youth to storm the barricades of the bureaucracy with an ever-expanding number of RTI cases. The effects could be revolutionary. In UP, Shailendra Singh, a former police officer who now heads the party's RTI cell, became such an irritant in September that the state's chief minister, Mayawati, had him arrested. With the rise of Rahul's youth brigade, there could soon be thousands of other gadflies just as irritating.

This isn't to suggest that the prime minister's 100-day agenda is only aimed at the poor and destitute. It also includes controversial measures that bankers have been advocating for a long time, such as the sale of state-owned enterprises. Though Singh

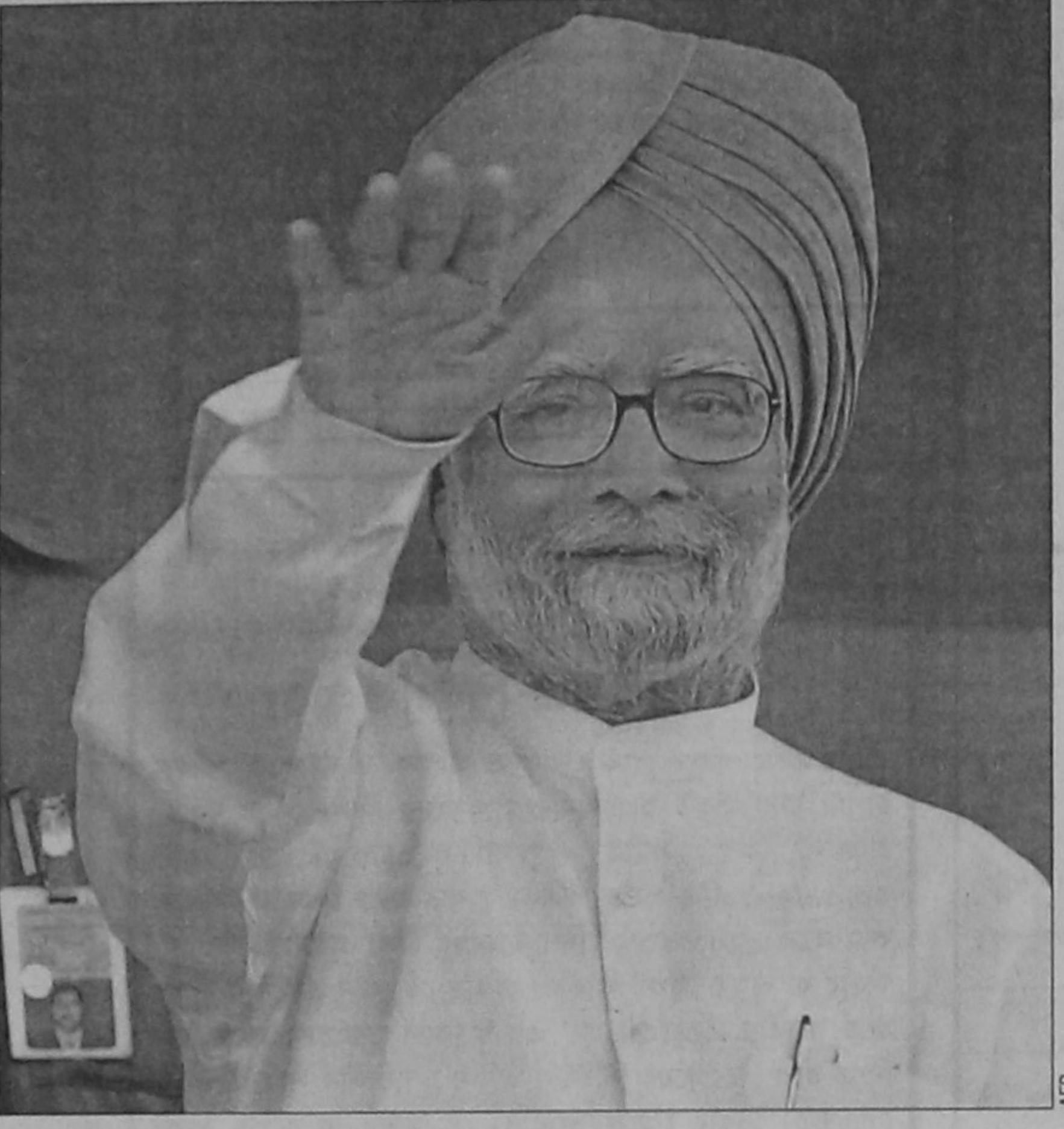
himself has only said that disinvestment of public-sector units "will be tackled by the finance minister in the budget," sales of shares in Oil India Ltd. and the hydropower firm NHPC Ltd. -- which were approved for IPOs of 10 percent and 5 percent, respectively, in 2007 but then blocked by the left -- are reported to top the agenda.

Deregulation of the oil industry --

are being driven forward by such a humble, soft-spoken man. At public gatherings Singh often seems to step backward and offer the microphone to someone else. The modest prime minister was denigrated during the campaign as the weakest leader in India's history. But he has turned his apparent shortcomings as a politician -- his poor oratorical skills and incapacity for

weapon helping him in his current campaign: he knows what he's talking about. The Oxbridge-educated economist has served as governor of India's central bank, head of its planning commission and as finance minister -- a unique résumé for a world leader and an especially potent one during the current crisis.

Just as important as his own qualities,



another move the left opposed because it would mean higher prices at the pump -- is now also expected to be put before the cabinet within six to eight weeks. Instead of a vague pledge to increase capacity, the Power ministry has promised to deliver 5,600 megawatts of new power by the end of August and to unveil three 4,000 megawatt projects within 100 days. Investors have already taken note, pumping more than \$4 billion into Indian equity markets in May and sending the benchmark Sensex on a 28 percent climb.

It's no small irony that all these measures

court intrigue -- into strengths.

His reputation for honesty is unparalleled in a country where a fourth of the legislature faces criminal charges or investigations and politicians have come to be generally reviled. Singh's name has never been mentioned in association with any scandal. And his refusal to trumpet his achievements or play political games has endeared him to the public and given him a reputation for impartiality, which has allowed him to build consensus and should help him implement his agenda.

The prime minister has another big

though, is the degree of support that Singh now enjoys from Sonia Gandhi and her son Rahul, the dynasty's emerging heir apparent. Singh today is not so much India's prime minister as the leader of its first triumvirate. Yet the clear division of responsibilities makes him more powerful, not less. With Sonia managing the internece rivalries within the party and Rahul focused on rebuilding Congress's grassroots network, the prime minister can concentrate on policy, not the party's next campaign.

It's a unique political formulation for

India and, as the recent election showed, a formidable one. While the BJP was derailed by divisions among its various leaders, Sonia and Rahul squashed internal efforts to undermine Singh's candidacy, performed the heavy lifting for him on the campaign trail and protected him from opposition attacks.

Since concerns about her Italian birth forced Sonia to make Singh her surrogate in 2004, the two have developed a strong relationship built on mutual trust and respect. That good feeling facilitated Rahul's entry into their troika and should help when he someday assumes the top spot. "Singh needs Sonia as much as Sonia needs him. And they work very well in tandem," says a senior Congress leader who asked not to be identified.

Singh is far from Sonia's puppet, as some allege. This became especially clear during the negotiation of the nuclear pact with the US last year. Though there was much domestic pressure to scrap the deal, Singh managed to convince Sonia that it would end India's isolation and make it a much larger player in world affairs, even offering his resignation if the pact were scuttled, according to one of his former aides. Since then, with the emergence of Rahul, the team has become more effective.

Now the triumvirate's big challenge is living up to expectations. They face a slothful political system that is a holdover of the colonial mindset and they must contend with a culture of bureaucratic obstructionism that has outlasted many previous would-be reformers. Entrenched interests within Congress itself will also no doubt seek to derail Singh's programs and the Gandhis' efforts to make the party more democratic and to allow fresh faces to emerge.

But with his newly enhanced grip on the reins of government, Singh knows that his 100-day deadline is a nominal one intended to light a fire underneath his subordinates. He has a full five years to perform. That said, the stakes couldn't be higher. This is more than Congress's big chance; it is India's. Failing to capitalise on it would be costly indeed, for the party, the country, and most of all, for its citizens.

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The quiet revolutionary

SUDIP MAZUMDAR

A revolution is underway in India. The man leading the charge is neither a fiery ideologue nor a gun-toting guerrilla. Instead, he is the scion of one of the world's most famous political families. But Rahul Gandhi, 38, has set out to disrupt the very system that created his power.

At first glance, he is simply trying to restore the 125-year-old Indian National Congress -- a party once led by his great-grandfather Jawaharlal Nehru, his grandmother Indira Gandhi and his father, Rajiv Gandhi, and now run by his mother, Sonia Gandhi -- to its once lofty position as India's dominant political group. But his tactics are game-changing: insisting on grassroots activism, building deep connections to rural India and trying to democratise the hierarchical Congress party itself.

If he succeeds -- a big "if" -- India could soon undergo a kind of political big bang ushering in a new model for developing countries: combining a well-functioning democracy with good government and economic growth. And if that works, Rahul will probably also ensure his own political future as the head of the nation.

Already Rahul, as he is known throughout the country, has been widely credited with Congress's big win in last month's elections. Not only was he, as Congress general-secretary, the party's main campaigner -- he spoke at 125 rallies across the country in six weeks, compared with 75 for his mother and 50 for Prime Minister Manmohan Singh. He was also its master strategist.

His approach -- fully endorsed by his mother, the party president -- was risky, presenting Congress as a national party that stood for secularism, good governance, and growth. Such tactics were in sharp contrast to the mainstream of Indian politics for the last 20 years, in which parties based on caste, ethnicity and religion had flourished.

During those decades, Congress officials had made alliances with these regional groups in order to maintain their access to power, privileges, perks and money. But this strategy had also ensured the slow decline of Congress as a national force, ceding ground to parties based on identity politics.

Rahul was convinced that to regain Congress's old strength, it must contest elections alone as much as possible -- especially in UP and Bihar. These two states, which together send 120 members to the 543-seat lower house of the Indian Parliament, are crucial to any party's chances in New Delhi, and Congress had virtually become non-existent in those areas.

Before the election, the conventional wisdom had it that Rahul's choice to go it alone would be a huge blunder. But it paid off -- spectacularly. Congress more than doubled its tally in UP, from 9 seats (out of

80) to 21. And the party made serious inroads into several other constituencies. In Bihar, even if it only ended up with 2 seats, it managed to take away big chunks of votes from caste-based parties and reduced powerful regional satraps and minor coalition partners to insignificance.

Elsewhere Congress swept the polls. The result? "This is Rahul Gandhi's moment," says Pratap Bhanu Mehta, president of the Centre for Policy Research, a New Delhi think tank. "He rose above the narrow identity politics of his opponents and showed that Indians long for inclusiveness and tolerance. He has changed the rules of politics."

Rahul also broke ground by pushing forward a slate of young candidates -- a rare move in a country where age is venerated and 80-year-old politicians are a common sight.

He bet that with 70 percent of the country under the age of 40 and half under 25, youth politics had reached a tipping point. And again he was vindicated. Most of his fresh faces won. Just as significantly, many of these newcomers had emerged through an open and democratic selection process in the party -- and were thus seen as more connected to the grassroots than usual Congress hacks.

One such winner was Rahul's close aide, Meenakshi Natarajan, a biochemistry graduate from a small town called Ratlam in Madhya Pradesh. Natarajan couldn't have been more different from a typical Indian politician. Nobody in her family had ever served in politics. She traveled in crowded public transport, lived in a small rented apartment in Delhi and devoted her time to energising students and young people to join the party.

All this was unheard of in India, where candidates typically travel in 20-car convoys with hundreds of hangers-on. "The world missed the significance of our baby steps in democratising Congress's youth organisations," says Natarajan. But the voters didn't. Rahul is "creating space for fresh ideas, competence and youthful energy," says political analyst Rajiv Desai. "If he can pull it off, this will eventually make the old timers and power brokers irrelevant in the party."

Since the election, calls have grown within Congress for Rahul to take a seat in cabinet or become prime minister himself; even Singh has said that he would try to persuade Gandhi to join the government. But Rahul has politely declined the offers so far, saying his focus remains the party. This has only enhanced his public image.

Rahul's makeover couldn't have come at a better time. Apart from regional players and corrupt special interests, the Congress Party had come to rely on vast amounts of black money to run its campaigns in recent years. Other parties were even worse, dominated by people who used fear and hatred to widen caste, religious and ethnic differences. Campaign slogans were often divisive and negative. Politicians became noto-

rious for siphoning government resources and filling their coffers with kickbacks and bribes.

While India now has some of the richest citizens in the world, it also has huge areas wracked by destitution, and more than half of its 1.2 billion people still live on less than 20 cents a day. Over the past two decades the Congress Party, which has ruled India for 45 out of its 62 years of independence, had gradually lost ground to its major rival, the anti-Muslim Hindu nationalist BJP, and smaller caste-based and sectarian parties.

Forced to cobble together coalition governments, Congress had fallen hostage to pressure and blackmail from its junior partners.

Party leaders were dejected and desperately wanted another member of the storied Nehru-Gandhi line to rescue them. They ultimately managed to rope in Rahul's reclusive, Italian-born mother, Sonia. And she soon managed to save her husband's party from virtual extinction. Her tireless campaigning, political acumen and hands-on leadership revived Congress and helped return it to power in 2004.

Although Sonia tried to reform the party, she remained surrounded by elderly time-servers and family retainers with no connections to the grassroots. Though the Congress Party had traditionally held the middle ground of Indian politics by appealing to all sections of society, factionalism and lack of ideas had drained its strength. Many advisers began pushing Sonia to let the articulate and savvy Priyanka become Congress' new face. But she was married and focused on raising her children, and was not inclined to join active politics.

Meanwhile, away from the public gaze, Rahul -- often seen as shy and reclusive -- began closely studying the Indian system and the way its parties were run. He began visiting his mother's parliamentary constituency in Amethi in UP, India's largest state and a place where Congress had become an entity.

When the general elections were called in 2004, Rahul made his move: he ran for a seat from Amethi. He and his mother campaigned vigorously around the country and their efforts paid off: Rahul won his seat and nationally Congress managed to overthrow the BJP-led coalition. Declining the office of the prime minister, Sonia installed Manmohan Singh in the top job, signaling a break from the party's corrupt power brokers.

Sonia's critics saw her renunciation of power as nothing more than a clever move to keep the seat warm for her son by letting a loyal follower take the job till Rahul was ready for it. But Rahul had different plans. He stayed away from the media and devoted his time to studying ways to advance development -- and Congress -- focusing on his own constituency and the divisive, caste-based politics of UP.

Over the past three years he has worked hard to acquaint himself with poor, rural

India by making numerous visits to remote, neglected villages, where he would listen to locals' complaints while sitting cross-legged on their dirt floors, sharing their meals and sometimes even sleeping in their homes. On occasion he would lead villagers to government officials to demand better services or organise sit-ins in dusty towns to highlight the plight of the poor.

His "discovery of India" tour (a riff on Nehru's book of the same name) was dismissed by the media and scorned by his opponents, one of whom referred to Rahul

as a "Dalai Lama. He meticulously seeks out

different points of view before coming to a decision. He is a teetotaler who once favoured fast cars but whose only apparent vice now is a fondness for Indian sweets. For a while, he was known to be dating an attractive Spanish architect, but he is now India's most eligible bachelor and appears in no hurry to change that status.

In a sense, given the magnitude of the job he's assigned himself, it's no wonder that Rahul turned down a cabinet post. The work he has in mind involves enlisting 10 million young people into the party's youth wing and holding democratic elections to produce new leaders from among them. He has already managed to sign up some 1.5 million youngsters in three opposition-ruled states -- Punjab, Gujarat and Uttarakhand -- to join the Youth Congress. All this has helped Rahul construct himself as an agent of radical change.

The irony, of course, is that in seeking to make the Congress Party more democratic, Rahul is working against the legacy of his own grandmother, who suspended internal party elections in the mid-1970s, allowing her to choose the party's regional leaders herself -- a process most experts believe helped turn Congress from a grassroots, vibrant party into a courtfull of fawning retainers.

Still, the seductions of power remain strong -- indeed, this may be the biggest obstacle Gandhi will face. His success will depend on how well he avoids the trap of hubris, so common among Congress leaders, and how well he handles the inevitable flatters and hangers-on.

There are other obstacles. Congress remains extremely resistant to any moves that would weaken its party grandees. Regional governments will not eagerly make room for newcomers at the expense of favoured castes and clients. The Indian bureaucracy has a long way to go before it begins actually serving the people rather than obstructing their path. Big business will also be happy to slow down certain reforms -- in order to slow down competition -- or guide them in ways that let it game the market.

Still, the process Rahul Gandhi has unleashed has the potential to turn India into a shining example of how to manage a successful economy and a successful democracy in a large, heterogeneous country. It's true that he faces enormous challenges. Yet he also enjoys enormous advantages -- especially his family name and his rising popularity.

This stature will only grow if Rahul manages to remain uncorrupted. Of course, it will be all too easy for him to succumb to the status quo, to do just well enough to achieve high office and then to stop fighting. But that would be a tragic waste of India's greatest hope in a very long time.

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as an "aquarium fish." Yet Rahul persisted, often making unnoticed trips to remote tribes, panicking his security detail. Calculated or not, such moves are extremely rare for a politician of Gandhi's stature in India, where most leaders prefer to travel in air-conditioned comfort.

Rahul's current views on the economy seem to owe to these tours. Broadly speaking, he is pro-market, owing in part to his time at Monitor, but he insists that growth should provide opportunities for the poor.

"What is the difference between a rich man and a poor man?" he liked to ask at cam-

eras and loan waivers to farmers -- measures derided by market reformers but that appear to have had strong political benefits for Congress and to have shielded India's rural sector from the worst of the current crisis. Rahul is also known to support the growing US-India alliance and is said to speak well of George W. Bush in private for getting through it.

Those who know Rahul say he is level-headed and unruffled, draws inspiration from Mahatma Gandhi (no relation) and, like his sister, Priyanka, takes an interest in Buddhism and has attended teachings by

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