Economic Development, Conflict and Prospect of Peace and Democracy in India: Lessons learnt from Liberalization and Globalization

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Introduction:

There is a direct linkage between economic development on the one hand and conflict, peace and democracy on the other. The former has acquired special significance in the era of globalization and liberalization as efficiency, rapid production, growth and investment have unmistakably become the measuring rod to fathom economic development of any country. A new narrative of economic development has been constituted and facilitated through the creation of indigenous and global institutions. The idea of the democracy and the corresponding idea of the political are no longer used to critique this process, instead they are themselves becoming subservient to the need of global flow of capital. India in particular and South Asia in general have greatly experienced such changes. The contextual realities of India coupled with unprecedented international changes in the wake of collapse of the Soviet Union and the East European Communist regimes did play a significant role in heralding these fundamental changes in India and elsewhere. The precarious domestic economic situation in the early 1991 along with above mentioned changes emboldened the then political class to tread on a new path. In fact, these changes, as one of the Indian scholars put, are crisis-driven, not backed by any long term strategy initially. (Nayyar: 384)

The preponderance of economic development has given rise to a new technological culture that easily makes deep inroads even in the intimate sphere of life. The knowledge that produces such spectacle seems to be limitless in its range and scope minimizing any possibility of the emergence of its alternative. As a result, technology based economic development, a product of contemporary knowledge, appears infallible, emphasizing the need to embrace the 'truth', realities emanating from it. In short, the technology has acquired the status of power, a kind of power sought after by each and everybody.

Now the question arises how this new kind of power and supremacy has impacted upon the well-established traditional/modern source of the state power—does it attenuates its power or enhances its capacity? The answer to this question is not possible without delving deep into the context of historical trajectory of the Indian state. Moreover, historically the post colonial
state occupies the pivotal place in the socio-political and economic life of its people, difficult to dispense with it in any manner. Such necessity of the state may not be as intense in the Western society because of its different and distinct historical context. The emergence of the modern state is not the result of consensus but contestation in the West whereas there is no such precedence of conflict and contestation in the non-Western society. The colonial modernity and control laid the foundation of modern sovereign state in these societies. It is, therefore, useful to make a comparative study of the emergence of the state to fully understand the state-society relation in the non-Western society.

The existing situation of conflict, peace and democracy in non-Western societies has intrinsic relation with the rapidly changing material and global environment in which market occupies a central position giving rise to a new kind of values, preferences and measures of assessment of human worth that do not synchronize well with the democratic idea of the political. In the era of globalization and liberalization, the role of the state is steadily diminishing – what was earlier done by the state has now fallen in the hands of the market forces, and as we know, market is not guided by the need of the people but by the basic principles of demand, supply and profit. Only those who have purchasing power could survive in the market and the rest would be forced out of its pale. Markets, in the era of liberalization, thus entail the process of exclusion. The excluded consequently nurture grudge against the state and the entrenched social groups that may cause, if not heeded, unrest and conflict. In contrast to the economics of market, the politics of democracy is, since it is the imperative need of the hour, necessarily and demonstratively inclusive. However, the supremacy of the market creates a realm of depoliticisation where the politics of democracy is not only frowned upon but readily branded as anti-development, and sometimes also anti-national. Such instances abound in contemporary India and seem to be quite unrestrained.

**Role of the Indian State in its Political and Historical Context:**

The freedom struggle in India effectively presented an alternative political vision to the colonial state and its ideational structures. In fact, the Indian state was a successor both to the British colonial state and the Indian national movement. Here it is argued that it mirrored more the core power structures of the colonial state than the distinct perspective of the national movement.
Sudipta Kaviraj highlights this contradiction when he says, ‘Broadly the legal institutions and coercive apparatuses of the state remained similar to the last stage of the colonial rule—to the disappointment of those who expected a radical overhaul of the state. During its nationalist agitations, Congress had identified education, the police and bureaucracy as the three pillars of colonial domination, and made repeated promises to introduce radical changes in their functioning. In the event when they assumed power especially after the panic of partition, they left these three apparatuses of persuasion and control entirely unreformed’ (Kaviraj: 154).

Thus, the practice of state in India and elsewhere in non-Western societies emphatically asserts the conservative structure of power. Although Gandhi and others confronted this idea, the dominant view of the state prevailed. In postcolonial societies, the state assumed the role of nation building and social change, completely ignoring the internal socio-economic dynamics and inner contradictions of the social set up. That placed the state in a pre-eminent position and made it largely unaccountable and arbitrary. Consequently, any contending perspective was not only frowned upon, but also termed as anti-national and anti-development. It is in this context, bureaucracy was promoted in the name of state efficiency in the colonial period while in post-Independence India, it was glorified in the name of development and the bureaucracy, to a larger extent, succeeded in maintaining its status quo. ‘Eventually this led to a massive expansion of bureaucracy without a corresponding change in its culture’ (Ibid:156).

The governing principle of the state in post-colonial India suffers from duality. The duality lies in the fact that the Congress brought about consensus among diverse social and economic interests and carried the consensual legacy even after Independence. However, it was not difficult to identify its ideological predilections which got reflected in the wide gap between enacting progressive legislations and their actual implementation. The failure of land reforms can be cited as an example. The much ballyhooed abolition of absentee landlordism only turned owners into cultivators (Nayyar: 381). The political economy of land reforms when the Indian democracy was in crisis presents an interesting account of how the idea was conceived without allocating adequate attention to the historically existing socio-economic framework of dominance. The trajectory of capitalism in India was premised on class collaboration between the nascent capitalist class and the rural oligarchy. This emerging scenario has been succinctly explained by Ashok Mitra, ‘The exercise of political authority
and state power in India represented an arrangement between the rural oligarchy on the one hand and the industrial bourgeoisie on the other. While the bourgeoisie controlled the industrial sector and dominated the working class, they also needed the rural oligarchy which could deliver the votes from the countryside and help maintain the power’ (Ibid). Thus, one can easily discern the outcome of the public policies employed to put the newly independent country on the path of capitalist modernization. A new narrative of politics was coined to hide the limitations of the statist project in empowering the poor and the deprived.

The strategy of economic development was given a statist orientation, as expressed in the phrases ‘commanding heights of the economy’ and ‘socialist pattern of society’. The building of capitalism was combined with the radical rhetoric of a political democracy aimed at reconciling economics and politics. The language of political discourse began drawing on socialist terminology across ‘the ideological spectrum of political parties’ (Ibid).

The modernist state perspective carved a support base with the help of a nationalist ideology that swayed the people. Apart from some gains achieved in terms of effecting development of industrial infrastructure in a predominantly rural society, the fruits of such efforts were not evenly distributed. As a result, hopes were belied, and that led to the waning of the nationalist ideology. Shattered hopes broke the fragile consensus assiduously built during the initial years of Independence. Against the backcloth of this hopelessness, India witnessed the revolt of the young, as manifested in the Naxalite movement and the ferment among the Dalits (Ibid: 375).

**A Brief Adumbration of Indian and Western Situations:**

The trajectory of democracy and development both in India and in the Western society has been quite varied in their nature and focus. This apparent comparison is inevitably linked with long British colonial rule over India leaving lasting impact on the processes of democracy and development in this country. Secondly, since the sources of technology based economic development mainly emanate from the Western-American Society, comparison between two unlike societies would enable us to identify the level of economic development and the causes of conflict as well. Thirdly, the prospect of peace and democracy is constantly assessed in the ever changing world, particularly in the contemporary world that is marked by the free market model of development where the deep penetration of technology leaves no
aspect of life unaltered. In this context, comparison would help explore possibilities not only for economic development but also devising way of how to promote peace and democracy in the region.

The onset of modernity has been the main site of development and subsequent emergence of democracy in the modern West. The trail of democracy reached India in the form of colonial modernity. However, the path taken by modernity has not been even throughout Europe reflecting results quite different from where it happened first and where afterwards. Such unevenness had its repercussions for the development of democracy in different countries of Europe. Modernity brought by the Industrial revolution first occurred in England and France and later in Germany and other European countries. In England and France, consumer industries marked its development which subsequently paved the way for the development of heavy industries. In contrast, the beginning of late industrialization in Germany, Russia and other countries started simultaneously with consumer as well as heavy industries. The pace of industrialization in comparison to England and France was much faster in these countries.

One of the discerning scholars of Indian politics, Sudipta Kaviraj puts it nicely-‘significantly, in the classical Marxist schema, faster economic growth towards capitalist modernity was purchased at the cost of a distinct retardation of the process of political democracy. In states like Germany and Russia where capitalist development began late and went faster, the processes of democratic economic transformation went slower than in France and England.. The logic of capitalist economic change and process of democratization was seen to be asymmetric. Fast capitalist development could be achieved at the cost of a slower or unsuccessful democratic transformation.’(Kaviraj: 87)

The context of India was quite different from what happened in specific European countries in particular, or for that matter, in Europe in general. The wave of industrialization had largely bypassed India during the colonial period. Whatever little industrialization had taken place, it was for facilitating the smooth passage of colonial finance capital, it was in fact the unhindered drain of wealth from India to England. This situation was reversed only after Independence that mainly focused on import-substitution as a policy for self-reliance and basic thrust on heavy industries to reduce dependence on the former masters.

The possibilities realized through democracy in the West, however, is the confirmation of the fact that the social world could be altered in a way to ensure liberty, equality and justice to
the people long denied these values. ‘Above all, democracy in the post-Nehru era has gradually conveyed to the Indian electorate the pervasive, elusive but crucial modern idea of the plasticity of the social world, and democracy and development both as frameworks of collective intentions to shape it in preferred form.’ (Ibid: 103)

Yet it would be naïve to believe that both societies followed the similar path of democratic development with similar results. The social context and its corresponding development have been quite different from each other. Evidently in the West, ‘there major historical processes were substantially complete before transformations towards modern democracy began. The capitalist discipline of a peasant workforce through brutal production regimes, the establishment of a secular state to avoid endless civil wars between religious groups vying for the political control of the state, and the birth of a modern ‘civil society’ of individuation—all preceded the start of the democratic process’(Ibid: 103). This amply demonstrates that capitalist modernity had preceded the process of democratization in the West.
The kind of socio-political development democracy followed in the West was conspicuous by its absence in the context of India. Even the post-colonial political development has not made clear departure from the pre-colonial social structures of India which even now continue to manifest extra-ordinary significance in the form of caste and community, notwithstanding a long uninterrupted colonial rule of 200 years. It is here the distinction between these two societies appears stark as it explains the distinct epistemological and ontological position of the Indian democracy which is different from the West. Again it provides an explanation why two different outcomes of the similar practice of democracy have happened in these societies.

Probably a cursory glance on the distinct social structures of these societies would answer this question. Here the notion of self, unlike the West, is encumbered, deeply embedded in social collectivities. Democratic politics in India is largely dominated by identities than interests. Uniquely identity politics tends to reflect a strong element of permanence which is visible in the democratic mobilization centered around it whereas, contrary to this situation, interest based groups often reflect ephemeral attachment. Sudipta Kaviraj highlights this aspect in this way—‘the idea of self-determination has taken the popular form, not of a Kantian moral autonomy of self-defining individuals, but assertive identity groups speaking the language of autonomy with very different effects…social groups based on identity, either in terms of caste system, or regions, and not impermanent interest coalitions, are the primary actors; individuals belonging to those groups are incidental beneficiaries of successful political actions? (Ibid: 105).
If the social suppositions of democracy are analyzed in the context of the emergence of civil society in the West, the self of individual is duly recognized in this realm, he is free to revise his interests and re-make and re-negotiate his identities and interests. As a corollary, the prospect of permanent majority enjoyed by any one particular political party is greatly minimized—there is no chance of the emergence of tyranny of majority. However, keeping in view the special significance of social identity groups, the prospect of tyranny of majority looms large in India. As usual the contemporary nature of Indian politics shows the significant role being played by caste and community in the formation of majority as well as governments both at the national and regional levels. That apart, democracy and the forms of social power are passing through the process of churning in the era of liberalization and globalization.

The Phase of Liberalization and Globalization:

The phase of liberalization and globalization coincided with the unprecedented international happenings— the collapse of Soviet Union and the East European communist regimes along with raising down of the Berlin wall that shook the whole world forcing it to dispense with the old world order and reconstitute the post-cold war structure with a radically new vision. This vision was that of the triumphant liberalism announcing the end of history with its enthronement. A silent transition in conformity with such thrusts made deep inroads in the economy and polity of the countries all around the globe. India was not an exception to this global surge, though it had also other complexities, compelling to go for re-structuring of its economy. Nonetheless, the background that preceded the economic reforms in India is worth mentioning. Deepak Nayyar outlines the crisis—‘The external debt crisis, which surfaced in early 1991, brought India close to default in meeting its international payments obligation. The fear of acceleration in the rate of inflation loomed large. The balance of payments crisis was man-made and policy-induced. The liberalization in the regime of trade policies and industrial policies created incentives for import-intensive industrialization. There was also a surge in defence imports. This was sustained by borrowing abroad which led to the continuous rise in the external debt. At the same time, transfer payments on subsidies and government consumption expenditure proliferated, driven in part by the competitive politics of populism and in part by the cynical economics of soft options. Such a fiscal regime was simply not sustainable for long’ (Nayyar: 384-385).
The above mentioned features of crisis urgently demanded strong measures to reverse the sliding trends of economy. The way things were moving at a rapid pace globally, the same acceleration with fundamental changes also needed here to rectify the ills of the economy. Inevitably, there was a need of making radical departure from the past economic policies that reflected the post-independent consensus on the issues of economic development. How to ensure efficiency and growth were the major concerns of the government, policy planners and economic restructuring programmes. Of these seminal changes, three aspects of changes must be fore-grounded. First as mentioned above, economic growth combined with economic efficiency was the main objective subsuming the reduction of poverty and inequality into the pursuit of growth as it would raise and improve the living conditions of the people. Secondly, the pre-eminent position of the state was also diluted particularly in the process of economic development. As a result, free market economy emerged as a new economic catalyst for growth. Public sectors- the commanding heights of economy –lost much of their sheen in this process. Thirdly, economy was rapidly opened not only for domestic private investors but also for foreign capital and technology as the dwindling foreign reserve was the major cause of concern for the country. All these changes brought together led to fundamental shift in the economic-political thinking of the country. It suggests that economy rather than politics is in command in the era of liberalization, privatization and globalization (LPG). The reduced role of the state is a glaring example of this emerging reality.

The retreat of the state, which is almost a corollary of economic liberalization, hurts the poor in a material sense. The fiscal adjustment programme entails the process of cut in the public expenditures on issues such as social security, poverty alleviation programme, universal health care, education and other welfare schemes. In contrast, ‘the consumption patterns and the life styles of the rich associated with the globalization have powerful demonstration effects. People everywhere, even the poor and excluded, are exposed to these consumption possibility frontiers because the electronic media has spread the consumerist message far and wide. This creates a mirage of expectations and aspirations. But when the paradise of consumerism is unrealizable or unattainable, which is the case for common people, it only creates frustration and alienation’ (Ibid: 390). It gradually gives rise to conflict that becomes unmanageable.
Parallel to this kind of conflict, tension also arises because of the growing importance of religion in the political mobilization of India that has given sudden rise to community based rightist party at the national level. In addition, caste also plays an equally significant role in such mobilization especially after the implementation of the Mandal Commission recommendations. Prominent leaders of these communities have made lasting dent in the support base of the national parties – the obvious fall out of this process is segmentation in the political process and is ever expanding space of conflict between national and regional aspirations.

Prof. Nayyar succinctly makes an observation on the evolving process- ‘the tensions are compounded by conflicts between the sphere of economics and the realm of politics. The people who are excluded by the economics of markets are included by the politics of democracy. Hence, inclusion and exclusion are asymmetrical in politics and economics. The distribution of capabilities is also uneven in the economic and political spheres. The rich dominate the economy now more than earlier, but the poor have a strong voice in the polity now more than earlier. And there is a mismatch’ (Ibid: 391). This mismatch gives rise to a situation where the rising conflict becomes irreconcilable.

‘It is, then, plausible to suggest that this third phase in independent India is characterized by an intensification of conflict in the economy, in the polity, and in the interaction between economy and polity. There can be little doubt that the need for conflict resolution is much greater than ever before. But the task has become more difficult. And the effort is much less. In sum, the economics of liberalization and the politics of empowerment represent an unstable, if not volatile, mix. Ultimately, empowerment is a more potent force than liberalization’ (Ibid: 391,393).

**Conclusion:**

The preceding accounts delineate the uneasy relation between the economics of market and the politics of democracy. Undeniably there is an inherent conflict that marks their relationship. What is the implication of two conflicting diverse processes operating simultaneously in India, especially for the vulnerable sections of the society? There is no straight answer to this question. Such inability is evident because a conventional understanding of democracy is relied upon. Worse still, democracy is not only treated as panacea to all ills but also over the years acquired status of myth obfuscating the identification of the real cause of conflict and persisting unrest. The phenomena of
contemporary globalization are the result of strong bond existing between corporate conglomerates and the nation-states not only in India but almost everywhere. It is not merely a strong alliance between them where they also control the apparatuses of ideas, and thereby it becomes easy for them to manufacture ideas conducive to the ethics of free market. In short, the deconstruction of contemporary discourse is not possible without developing a critical understanding of democracy.

Many scholars have grappled with this issue and have come up with the idea of radical democracy where contingent, conjectures and ambiguities are not seen with contempt but are celebrated to transcend the obvious limitation of democracy caused to it by excessive liberal meaning attributed to it. Neera Chandhoke opines in this context, ‘Revolutionary violence, to put the point across mildly, is an ambiguous concept. Ambiguity is, nevertheless, not a bad thing, because it allows us to investigate different aspects of a question without subordinating these to a mega story. Recognition of ambiguity is not a bad thing, because it allows departure from the rigorous rules of consistency in social science arguments; rules of consistency that are unfair to inconsistent political phenomenon……To impose coherence upon processes that are necessarily untidy and incoherent is to prevent understanding of, well, how untidy and incoherent politics can be.’ (Chandhoke: 19)

Social world is ever in a state of flux. Any singular or fixed understanding of democracy cannot fully comprehend this changing world order. The meaning of it must address the contextual complexities to identify the real causes of conflict. Adrian Little comes to term with it when he says, ‘it is important to stress the relationship between democracy and violence, that is, to identify the various ways in which democracies use violence to create and maintain the laws that enable it to function and which provide democracy’s justification in the idea of the rule of law. Moreover, it is also vital to interrogate the power imbued in the rule of law which enables sovereign powers to make decisions involving the setting aside of the law in certain situations to declare a state of exception.’(Little: 9)

Lastly, the idea of peace and democracy amidst conflict can be fully comprehended once the notion of the political remains the recurrent theme in any democratic society. This notion is a ceaseless process which is put to work through both deliberation and contestation. Such dynamism of the political keeps the hope of the excluded and the marginalized alive. The long struggle for the realization of the goals of social justice in India for the deprived is the vindication of the dynamism of the idea of the political.
To conclude with Sheldon Wolin’s understanding of democracy would be appropriate. “Democracy in the late modern world cannot be a complete political system, and given the awesome potentialities of modern forms of power and what they exact of the social and natural world, it ought not to be hoped or striven for. Democracy needs to be reconceived as something other than a form of government: as a mode of being which is conditioned by bitter experience, doomed to succeed only temporarily, but is a recurrent possibility as long as the memory of the political survives. The experience of which democracy is the witness is the realisation that the political mode of existence is such that it can be, and is, periodically lost....Democracy is a political moment, perhaps the political moment, when the political is remembered and recreated. Democracy is a rebellious moment that may assume revolutionary, destructive proportions, or may not.” (Wolin: 111)

End Notes:

Adrian Little, Democratic Piety: Complexity, Conflict and Violence, Edinburgh University Press, 2008


Neera Chandhoke, Democracy and Revolutionary Politics, Bloomsbury, 2015


____________, The Enchantment of Democracy and India, Permanent Black, 2011

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