

REALIZING THE PROMISE OF AN INDIAN DEMOCRACY -VERSION 2

(I)

Finally, even India has seen the light. This statement is pronounced with exhilaration in trading floors in Singapore and conference centres in New York. It is echoed in boardrooms in Bombay and drawing rooms in Delhi. India is abandoning, at last, the web of suffocating bureaucratic restraints which contained the awesome energies of its people. As these misguided and distorting restraints come to be set aside, a tiger will be unlocked from its cage, and India will take its rightful place in a community of great nations. Its people will be released from their material deprivation and enforced lethargy. In the world at large, for the most part there is only one source of discontent: "Why so slow?" the enthusiasts can be heard to ask. You have done well so far, but there is much more to be done. A market economy is a single entity with a well-defined content. To experience its full promise you must adopt still further its correct form. You have accepted the truth of the gospel. So why then do you still hesitate to discard some of your old idols? Privatize fully your public enterprises. Eliminate your unnecessary subsidies to favoured groups. Facilitate the still freer flow of capital to and from the country. Follow all of the commandments, and you will surely be delivered to the promised land.

A remarkable feature of the landscape of official politics in India today is how widely a variant of this description is accepted. All major political parties are in practice in favour of some version of "liberalization", understood as the abandonment of the old bureaucratic mesh of control and command for a well-defined package of "reforms". The broad-based centrist parties, those which claim to speak on behalf of the excluded lower castes, and the nominally marxist parties of the left are united in this practical concurrence. If they differ, it is in the extent to which they favour an image of the process of liberalization as partial and strategic rather than as comprehensive and uniform, as regrettably necessary rather than as straightforwardly desirable, and in the extent to which they favour egalitarian redistribution as an essential complement of the concurred upon package of "reforms".

This comfort with the favoured economic pathway is not universally shared in Indian society however. Some who feel themselves likely to lose as a result of the favoured programme, or fear that it will deliver dependency and inequality rather than broadly shared prosperity, call for a simple return to the earlier doctrine of a relatively isolated "mixed" economy progressing under the tutelage of bureaucracy. Others, especially local grassroots activists inspired by Gandhian ideals, dismayed equally by the earlier dispensation and by its successor, ask "Who is this development for?". They call for "another development", more respectful of the needs and voices of their marginalized local constituencies. At times, despairing that this other development could ever be realized, they pronounce themselves against the idea of development itself. Without articulating a broad-based alternative, battle by battle, they resist.

Each of the positions described here suffers from a common failure. This is the failure to think

imaginatively of alternative broad-ranging institutional conceptions of economy and society with which we may envision India's future. Imprisoned in the false choice between a stereotyped market economy and its bureaucratic statist predecessor, we fail to realize the potential of yet undiscovered forms of economic and political pluralism. The search for these yet undiscovered but imaginable forms can enable India both to avoid the inflexible and limiting fate laid out for it and its citizens by the dominant prescription, and to discover the institutional arrangements best suited to its particular circumstances and aspirations.

India is not unique in the world in labouring under this false dilemma and possessing this real opportunity. Rather, despite its obvious specificities, India shares this general condition with many other countries in the world - both South and North. The most influential social doctrine today throughout the world is that a single arrangement of most efficient institutions has been discovered. "Convergence" must inevitably occur to this most efficient arrangement. Those marginalized or excluded by these institutions are to be catered for by residual institutions of social protection, designed at best to humanize the inevitable. In common with the other large marginalized countries in the world, however, India is a possible site of resistance to this idea of inevitable institutional and cultural convergence.

It should not foreclose the possibilities of such resistance both in order to realize the potential for a form of development which is more democratic and egalitarian and in order that the future it attains may be more recognizably Indian. As with the other large marginalized countries, India will have to face certain central issues in evolving an alternative. These include the questions of how to decisively enhance the efficacy of public institutions and how to envision an alternative economic pathway which is productivist and not only redistributivist. Such a pathway, grounded in the realization that redistributive compensatory transfers could only partially ameliorate the unequalizing effects of a dualist political economy, would seek instead to extend broad-based and generalized access to productive opportunities.

(II)

The attempt to envision alternative futures for India must of necessity begin with certain limitations of ambition. First, it must be recognized that India's vast and semi-continental character makes a mockery of the idea of a single pathway or a single prescription. In truth, India contains not one but a set of distinct regional political economies. Each of these is fragmented and constrained in turn by the living force of distinct and diverse living social identities. A viable vision of India's future cannot be prescribed from upon high but must emerge in part from the commingling of ideals and actualities in each of these settings. Second, the attempt to envision alternative futures for India must as much as possible avoid the danger of being overly prescriptive. Rather it must recognize, and seek to create the conditions in which, particular visions of shared futures can emerge from democratic contention and decision. The existing diversity of life ways and visions of the past and future in Indian society makes this avoidance of prescription not only a virtue but a necessity.

Even while accepting these limitations of ambition, it is possible to suggest the bare outlines of a democratizing programme of economic empowerment for India. As suggested above, such a programme must confront squarely the danger of the emergence of a dualist political economy. A danger lurking behind the neoliberal political economy throughout the world is that of intransigent dualism. The danger is that a possibly thriving export-oriented advanced sector will be poorly linked to the rest of the economy. In particular, both small business and agriculture risk being relegated to a distantly subsidiary or insecurely marginal role. Such a division would radically limit the possibilities of Indian democracy. In contrast, an alternative programme would be forthrightly antidualistic. It would seek, on the basis of decentralized coordination between public power and private initiative, to generalize the conditions of economic success.

Given India's preeminently rural character, such an anti-dualist strategy must centrally address the rural economy. Three-quarters of India's nearly one billion people continue to live and work in the rural sector. In view of this overwhelming reality, it is remarkable that the current discussion on India's future has paid relatively little attention to the role which the rural sector will play. In the prevalent conception of India's development, it appears that the role of agriculture is at best that of an adjunct, or of a sideshow, releasing labour and savings for the real business of industrial development. What this silence overlooks is that there is no single model of the process by which agriculture makes room for industry. There is wide divergence in the historical and comparative experience in the world in this respect. In Europe, some societies (France and Denmark) made possible through political choices and public policies the sustenance and survival over time of a vital class of smallholder agriculturalists, which in turn made more feasible decentralized and small-scale industrial enterprise. In contrast other societies (most famously, England) favoured agrarian concentration over deconcentration, with attendant concentrating consequences for the shape of industry. In Korea, Japan and Taiwan in the last decades a more egalitarian pathway of growth has been made possible by the equitable prior distribution of land and ongoing public support for agricultural marketing and infrastructure. The central role of the rural sector in India's political life as well as the quantity of resources which it husbands ensures that in practice it will have a central role in the theory and reality of India's political economy. This does not by itself determine which pathway India will follow however. A range of more and less urbanizing and concentrating options for India's economic future are possible. The anti-dualistic political economy recommended here already has strong foundations in India. What is necessary is to recognize, protect and extend these. Government programmes to extend access to credit and agricultural technologies and to strengthen and construct agricultural infrastructure have been of long standing in India. Increasingly, as reflected in the vocal farmers' movements of the 1980s, India's farmers have seen these supports as theirs by right. Equally, it has been nearly universally accepted that India's phenomenal success in the production (though not distribution) of food-grains has been underpinned by these public programmes. This model of coordination between public institutions and private initiative in aid of economic empowerment needs not to be reversed but to be turned in new directions and generalized.

The example in the world today which may be most relevant to India's choice is that of China. China has over the last one and a half decades experienced a remarkable process of rural small-scale industrialization. Although it is true that this process has been concentrated preeminently in certain Chinese provinces it is also true that it has a remarkably rural and decentralized character. These so-called Township and Village Enterprises, competing in and providing for national and world markets, are estimated to now employ some 100 million Chinese. Most remarkable of all, the Township and Village Enterprises do not obey the rules laid down in Washington, D.C. as to what makes for economic success. Contrary to all accepted canons of the academic economists, their success has taken place despite the absence of clearly defined rules of private property. Instead, the TVEs are characterized by vaguely defined and hybrid property forms and governance relations. They are typically owned and managed jointly, in varying combinations, by local governments, their workers and outside investors. The TVEs have been made possible both by the presence of high levels of savings in the Chinese rural economy as a result of the post-1978 flourishing of Chinese agriculture, by a strong framework of autonomous local administration capable of identifying, seizing and financing productive opportunities, and by the presence of an existing tradition of local small-scale industry, fostered by the historic Maoist policy of "walking on two legs".

The example of the TVEs is relevant to India for three reasons. First, they represent the possibility of a pathway of development which softens the disjuncture between rural-agrarian and urban-industrial life. Through locating economic opportunities near people they make possible the avoidance of a radical rupture with valued forms of social and moral life, without also seeking to insulate these from innovation and experimentation. Second, a strategy of development which gives great weight to rural non-agricultural activities is that which is most likely to have a sharp impact on poverty of income. Recent estimates suggest that growth in average incomes in rural India has in the last twenty five years been twice as income poverty reducing as growth in urban India [see Ravallion and Datt ()]. Third, the example of the TVEs suggests that forms of organization of property and enterprise other than that of the stereotyped private property right, such as cooperative partially publicly owned local enterprise, may compete and thrive amidst the discipline of competitive national and global markets. This is important not because such alternative forms of organization are ends in themselves, but because they may serve as a starting point for the progressive discovery and development of new forms of more popular and democratic workplace relations and community life. In so doing, they may enable a large proportion of the world's people to evade an imagined necessary passage through hierarchical and disempowering workplace relations. A popular and democratic pathway of development in India will seek to enable and foster a dispersed myriad of local competitive experiments in productive life, progressively liberated from the dogmatist constraint of the stereotyped private property form. It will do so within a broader programme of fostering the development of agriculture and enhancing the equality of agrarian relations.

At least three significant challenges exist to the pursuit of this popular strategy of economic empowerment in India today. First, India suffers from the weakness and lack of self-determination of the units of local and regional government corresponding to the Chinese

counties, townships and villages. The development of analogues to the TVEs in India will require the strengthening of such units for the articulation of local public ideals and interests, or the invigoration of alternative local cooperative and coordinative structures. India's democracy is relatively better developed at the level of the federal government and states than at the level of districts, sub-district units, and municipalities. The vigorous local democracy envisioned in the official concept of Panchayati Raj, although much spoken of, has never been given real force in India's collective life. The time to give this concept life is now. In doing so, not only can local democratic political life, the accountability and efficiency of local public institutions, and the opportunity to safeguard and invest in local public goods and common property be strengthened, but the conditions for a vigorous democratic economic experimentalism may be put in place. The 73rd and 74th amendments to the Indian constitution, which for the first time create a constitutional mandate for local governments, and require regular elections in such authorities as well as financial resources to be directed to them are useful first steps in this direction.

A second challenge relates to the poorly developed capabilities of India's people. Although rich in local knowledge and indigenous practical understanding, India's people suffer greatly from underinvestment in their health and education. Almost half of them continue to be illiterate. The pathway of democratic economic empowerment called for here is inconceivable without a massive public investment in the capabilities of India's people. Examples such as that of the state of Kerala within India, and of its neighbour Sri Lanka, bring out clearly that such investment need not be a postscript to increased economic prosperity but rather can be achieved at low levels of income. The example of Kerala demonstrates that a high level of political mobilization is a key factor in making possible and sustaining such social achievements. Progressively oriented parties in India today must direct themselves towards creating and sustaining such a political mobilization specifically turned towards these ends. Widely shared basic capabilities are both an end in themselves, and will make possible broad-based participation in economic opportunities and heightened involvement in democratic life.

A third challenge relates to the ready availability of technologies which may be employed to greatest effect in the constellation of rural enterprises which form the centrepiece of the proposed pathway of democratic economic empowerment. These enterprises, of varying but often small scale, will require technologies which enable them to be economically competitive and yet which are suitable to their particular circumstances. Such technologies will build upon and enhance existing reservoirs and traditions of skill. They should seek to be amenable to the softening of the contrast between the design and execution of tasks. Finally, they should be designed with a view to their ecological appropriateness. In order that such technologies may be suitable to the exploitation of the frontiers of economic opportunity yet be closely grounded in local needs, knowledge, and circumstances they must be the product of a marriage between technological specialists, local producers, and where appropriate marketers. Towards this end, it would be desirable to multiply and enhance cooperative institutions for the development and dissemination of appropriate technologies.

(III)

The programme of democratic economic empowerment outlined here requires a vigorous national politics favourable to it. Such a national politics does not yet exist. The parties of the conventional left have until now been insufficiently attentive to possibilities for institutional innovation and discovery. They may redeem themselves by paying new heed to these opportunities, which require neither that they succumb to an image of the market with a single imagined form nor that they defend an obsolescent model of industrialization under the supervision of a centralized bureaucracy.

In recent years there have been three major developments in India's national politics. The first of these is the emergence of Hindu chauvinism as an explicit political force. The second of these is the rise of lower caste political parties. The third of these is the rise of regional political parties. The first two of these developments reflect both an obstacle and an opportunity for the programme of democratic economic and social empowerment in India.

The rise of the Hindu chauvinist political right in Indian politics, epitomized in the ascendancy of the Bharatiya Janata Party (BJP), reflects a dual aspiration of its supporters. A minority of those who vote for the BJP are motivated solely by religious chauvinism. Others are drawn by the BJP's promise of delivering a strong and effective state in a powerful and united India. For many, these attractions are inextricably intertwined. The yearning for a strong and effective state can be satisfied by the BJP only through the shortcut of the increasing resort to authoritarian governance. A programme of democratic and progressive political forces in India should, in contrast, make clear that there is another route to effective public institutions. This second route is that of the enhancement of public institutions through the heightening and generalization of the mechanisms of their democratic oversight. By working towards the multiplication and enhancement of the institutions of transparency, accountability and democratic contestation, democratic and progressive political forces can wean away a certain proportion of the BJP's electorate. There is ^{some} ~~also more than a little~~ truth to the characterization of the BJP as a party of the petit-bourgeois, speaking on behalf of the shopkeepers and small industrialists. To the extent that this is so, the programme of democratic economic empowerment can benefit from making clear that it is not fundamentally hostile to this class but rather seeks the conditions of its long-term sustenance in a transformed and democratically invigorated environment. In both of these ways our perception of the BJP may come to be partially transformed from that of an obstacle to the pursuit of a democratic programme to a reservoir of opportunity for the construction of a new democratic coalition.

The rise of lower caste politics on India's national stage (reflected in the growing strength of the Bahujan Samaj Party, the Samajwadi Janata Party, etc.), is a second epochal development. In the first instance, this rise signifies a new democratic efflorescence. Whereas the politics of lower caste identity had long been of great importance in certain regions of India (in particular Tamil Nadu and Kerala), for the first time it has come to be of national importance. This change reflects the giving way of upper caste dominated patron-client relations in whole regions of the

country in favour of more self-determining electoral behaviour, as well as the simple availability of new electoral options and coalitions in the aftermath of the demise of Congress party hegemony. However, the specific political programmes adopted by these new forces reflect more often than not a narrowness of imagination and vision. Recent caste-based politics in India has focused preeminently upon the allocation of privileged publicly provided opportunities such as opportunities to enter into higher education and administrative employment. The struggle for the allocation of these privileges has come to be associated in much political rhetoric with the larger struggle for "social justice". This limitation of vision is a mistake. It is true that the inclusion of the heretofore excluded in the formal institutions of public education and administration has a powerful symbolic and substantive significance. However, the scale of caste and class inequality in India is scarcely addressed by this residualist struggle over the spoils to be enjoyed by a few. It is valuable never to forget that only ten percent of India's labour force works in the current organized sector, to which these demands apply. An alternative strategy would focus on addressing social exclusion through the multiplication of decentralized democratic economic opportunity on as broad a scale as feasible. Such a strategy would view public institutions less as a site for the representative inclusion of diverse social groups and more as potentially powerful agencies for the furthering of democratic opportunity well beyond these institutions - through their broad-based investment in human capabilities, through their safeguarding of fundamental rights, and through their provision of material and technical support for decentralized democratic experimentalism in economic life. Advocates of democratic inclusion in India must work towards the foregrounding of this latter agenda.

Democratic political forces in India today should call for the comprehensive rethinking of the structure of the state. More effective public institutions are an essential element in the pursuit of a vigorous programme of democratic empowerment. However, often with good reason, people's activists in India have become profoundly suspicious of state power, viewing it as likely to be systematically used against the interests of the most marginal. Hence, principled intellectual-activists such as Rajni Kothari have come to speak of "The State Against Democracy". This deep scepticism of large-scale state institutions as sites of bureaucratic authoritarianism and irresponsibility, in the thought of Gandhi and his contemporary inheritors, should not be altogether dismissed. Rather these wellsprings of scepticism and moral critique should serve to direct us towards a less monolithic and more pluralistic conception of the Indian state. Such a conception could take many forms. In addition to a greater substantive decentralization of authority, it could take the creative form of the reconstitution of particular organs of state as an ensemble of competing and collaborating public institutions, each engaged in vigorous relations of support for and learning from the organizations of community and civil society. The wealth of nongovernmental and community activity in India today, with few parallels among the developing countries, serves as an inspiration for this approach.

(IV)

Envisioning a democratizing future for India requires envisioning not only how the material and

social opportunities of individuals may be enhanced, but how the possibility for diverse forms of life to exist and to flourish may be safeguarded. Why is this so? Democratic life must begin in respect for concrete persons and not only for abstract citizens. India's civilizational reality is one of the coexistence of a profound diversity of lifeways and of often deep attachments to these concretely different (albeit usually unelected) life possibilities. There is not a single Indian identity or a single Indian form of life. All attempts to synoptically characterize India's personality and India's collective cultural life have failed. India's traditions and India's current social reality encompass an unencapsulatable multitude of rationalities, of sources of vitality and inspiration, and of concretely experienced lifeways. A vision of a democratic future must not presuppose that it is the destiny of these concretely plural lifeways to be transcended in favour of some particular favoured form of life. Rather, it must imagine the conditions wherein the egalitarian interaction and democratic engagement of diverse lifeways embodied in concrete persons may give rise to new and perhaps unimagined individual and social possibilities, while remaining consonant with the democratic objective of undermining hierarchy and inequality. The Nehruvian programme of secular modernization, the contemporary chauvinist endeavour of Hindutva, and that of economic neoliberalism, have each in their own way had the ambition of supplanting this diversity of forms of life. A truly democratic vision of India's future should not require such an ambition. How can this be avoided? Does any programme of national economic empowerment, including that intimated here, inevitably entail a chauvinism of form of life? A democratizing political programme should seek not only to be experimental in relation to the shape of political and economic institutional arrangements but also in relation to the forms of life encompassed by a civilisation. It should seek to evolve through democratic cooperation and contestation new images of social reality and human possibility. Such images will necessarily find their wellsprings in civilizational inheritances. However they will also, inevitably, recombine and transform these. The openness among forms of life cannot be attained without a simultaneous openness to diverse institutional possibilities for the organisation of the practical work of society. As a result, the demand to not foreclose a future of substantive cultural and moral plurality for India's people is equally a demand to maintain and generate a pluralist experimentalism of economic and political institutions. The openness to diverse national and civilisational futures generated by the experimental spirit is the best safeguard of India's selfhood.

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