CHAPTER V

THE INDIAN STATE

The failure in accomplishing the objectives of compensatory justice makes it necessary to study the nature of the Indian state. The constitution of India only set the goals of social justice to be realised and the broad parameters within which it is to be translated into actions. The state was assigned the crucial role for the realisation of those goals.¹ The primary role of the Indian State in social-engineering process, from its very inception has contributed significantly to the growth of its power. It has acquired considerable autonomy in relation to socio-economic forces and emerged as a weighty actor. As an autonomous force the state influences both political and socio-economic processes through its policies and its patterned relationship with social groups. The Indian State in the last four decades of independence has emerged as a very powerful apparatus extending its influence to almost all sectors of civic life of citizen. India’s highly interventionist state is not only the promoter of political order but also responsible for socio-economic development. Specifically the role of the state as the custodian of collective will and as an instrument of societal reconstruction involving nation-building, economic development, social change, modernisation, stability of the polity has enhanced its interventionist power. Hence, in a country in which the state sets the agenda for socio-economic change and is responsible for the formulation and implementation of welfare as well as compensatory policies for the weaker sections of society, and in which extensive

¹ The goals or objectives without their realisation are mere alphabet, empty and meaningless. Mere incorporation of objectives in the constitution does not lead to its achievement. Hence for the fulfilment of the goals of social justice enshrined in the constitution, the state was given the major role. The state was expected to design the development strategy within the parameters set in the constitution. It was relied on the state to translate the objectives into concrete policies and to implement those policies for the fulfillment of objectives of social justice.
state-intervention is an integral part of the changing political economy, understanding the nature and role of the state is crucial for the analysis of pattern of socio-economic and political change.

But the study of state in isolation will not reveal the real character of the state. The state has to be analysed with its societal base, nature and dynamic of dominant class coalition, the development strategy and the legitimisation process through which the state rationalises its class-rule. This chapter has been divided into five sections. The first part 'Social Formation' begins with societal base that determines class formations and the state power in a complex social relation. The second part analyses the autonomous power enjoyed by the state, and the nature and functioning of the dominant classes in India. The third part provides an analysis of the state-directed development strategy. It also explores how the development strategy helped in benefiting the dominant classes and how it has been against the interests of the poor and deprived sections and finally run counter to the objectives of social justice. The fourth part deals with the role of state in legitimisation of class rule. It also explains how the state with the help of rhetorics has been able to retrieve itself from the crises. The fifth part evaluates the role of state in realisation of goals of social justice. It also discusses whether the poor and the disadvantaged sections have really been benefited from the state-designed development strategy or the minute upper strata have manipulated it in their favour.

SOCIAL FORMATION

The nature of the state cannot be studied in isolation since the state is neither independent of nor above and different from society. The nature and dynamics of the state can only be comprehended by situating it within the socio-historical context and the dominant cultural and ideological trend of a society. The state is an integral part of the
socio-economic relation and of the competing interests of the members of society. The relationships between state and society affect the structure of domination. In other words the societal contents of the state and dominant interests in society determines the character of state power. The relation between them is not unilinear rather there is a dialectical relationship between the state and society and both of them influence, and get influenced by each other.\footnote{Therborn has aptly pointed that the state functions as the nodal point of relations of power within society; and it is an institution where social power is concentrated and exercised.\cite{1} Hence the essence of the state and its dynamics can only be studied in the context of its relations with the material formation of society and by relating it to the totality of socio-cultural and ideological mainstreams. The state is located on the terrain of the social formation and also the site of non-class relations as well as class relations.\cite{3} Bob Jesop argues that state power is a complex social relation that reflects the changing balance of social forces in a determinate conjuncture.\cite{4}}

Any serious explanation of the nature of Indian state and its relationship with society must begin with analysis of the character of the state by locating it within the socio-historical context, the paradigm of state intervention and the consequent changes in the developmental strategy in different periods. Since independence India has adopted a specific path of political and economic development with certain variation in consonance with the type of societal problems it inherited. The interaction of this developmental strategy and the policies they bred, largely conditioned by the structure of social relation,

\footnote{1. See Goran Therborn, 1980:132.}
\footnote{2. Ibid. This view is also shared and emphasised by the Marxists like Nichos Poulantzas, 1973; and Ralph Miliband, 1973. For an adequate Marxist account of state see Bob Jesop, 1982.}
\footnote{3. Bob Jesop, 1982: 222.}
\footnote{4. Ibid, 221.}
has given birth to the specific nature of the present society and state of India. But the direction of social formation in India has been more complex and intricate.

The intricate nature of the state in post-colonial societies arises out of the historically complex nature of social formation and the mode of production. The relationship between the state and the underlying social structure presents a complex picture. The complexity of the social formation is a product of the dialectical interplay of pre-colonial legacies, colonial experience, national liberation movement, and the post-colonial developmental path acquired by the post-colonial state. Hamza Alavi attributes this complexity to the specific nature of structural alignments which were created by colonial rule, and the complex realignment between the state and social classes that developed in the post-colonial situation. The post-colonial societies have mixed social formations with not one but more than a single mode of production existing simultaneously.

There is no neat social formation in India because of simultaneous existence of different modes of production. As a result of which there is also no neat class formation. India with all its diversities presents a very complex reality. One finds the complexity of

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2. The pre-colonial social formations in these countries were not strictly feudal but rather a variety of pre-capitalist social relations existed in these countries. Even after colonial intervention we do not find a neat class formation in the colonial societies. After independence most of these countries, without having a violent revolution, carried on with the colonial state apparatus. The feudal and capitalist (and its different variations) modes of production are found to co-exist not merely as a transitional phenomenon but even for a longer period in a nexus. And the scholars like Samir Amin and Hamja Alavi also talk of Colonial mode of production and Bharat Patanker and Gail Omvedt argue that even within this colonial mode of production there is a colonial-feudal or a colonial-bourgeois stage depending on which mode dominates the nation. For detail study see Hamza Alavi, 1972; Hamza Alavi, 1975; Samir Amin, 1977; Bharat Patanker and Gail Omvedt, 1977.

3. There are a lot of differences among the scholars regarding the emerging mode of production in post-colonial India. For an elaborate study of this debate see Charles Bettelheim, 1977; Brian Davey, 1975; M.Kalecki, 1972; K.N.Raj, 1973; Pashch Chattopadhyay, 1970; Utsa Patnaik, 1971(a) & (b); Hamza Alavi, 1975; Francine Frankel, 1971; Dannie Thorner, 1968; Ashok Rudra, 1972; Alice Thorner, 1982.
the social formation in the nature of social organisations, value system, and the mode of production in India. Though classes have come into existence, different primordial affiliations like castes, tribe and religions still play significant roles in social formations. The dominance of diffusing effects of the cross-cutting cleavages of caste and ethnicity, hinders the process of class formation. Different forms of cleavages co-exist in social structure at different levels of dominance and dormancy. These social cleavages were already there before the arrival of the colonial power. But these cleavages were politicised by the colonial power thereby aggravating the situation further. The need for efficient social control led British colonial administrator to create incentive for certain groups to form and to repress other groups. And the post-colonial state of India through its different institutions has further exacerbated the cleavages in the interest of dominant section of the society by perpetuating manipulating the past inequalities based on ascription.

Thus to comprehend the nature of the Indian state it is quite necessary to


2. There is hierarchy of cleavage base in each system and these orders of political primacy not only vary among polities but also tend to undergo changes over time; and such changes and differences in the political weight of socio-cultural cleavages set fundamental problems for comparative research (See S.M. Lipset and Stein Rokkan, 1967:6). The components of social structure faced with situational exigencies or simply a certain configuration of forces at a certain point of time, may exhibit ‘class’ characteristics at one point of time, and the same structure may allow caste (or any other) to be dominant identity at another point of time, under a different configuration of forces. (see S.N.Jha, Dynamic view of Identity formation: An Agenda for Research in Hasan, Jha and Khan (ed.), 1989:225-36. Also see Frank Perkins, 1974:34; Myron Weiner, 1978).

3. It is the hegemonic state (colonial power) that sought to combine military repression with ideological infusion in order to restructure society. The colonial reproduction of culture complemented military repression to yield short-term political order but long-term patterns of political cleavages. To gain hegemonic control over the society the colonial power exploited these cleavages and set one group against the other.(see David D. Laitin, "Hegemony and Religious Conflict: British Imperial Control and Political Cleavages in Yorubaland", in Evans, Rueschemeyer and Skocpol (ed.), 1985;307-308).

4. The State in an unequal society gives unequal advantages and presents unequal opportunities to individuals and groups, stratified as they are in a hierarchy of segments and classes. Political processes and systems are culture-bound and they operate in a given cultural ethos. In the multinational societies, the dominant ones oppress some nationalities with covert patronage of the state. The relationship between the civil society and the state affects the structure of domination. The contemporary state also embodies the fact of the upper caste
study how the state itself influences and in turn gets influenced by different social forces like classes, castes, tribes, religions and other ethnicities. At the same time the Indian state defies any kind of simple generalisation or rigid categorisation because it is a populous subcontinent whose variety and complexity generate contradictory and sometimes confusing social forces. The social structure determines the parameters of state action by constraining its policy options.\(^1\) This structure also delimits state’s ability to reconstitute social relation. The relative autonomy, the state enjoys in relation to social base is primarily a product of contradictions within the social structures itself.

II

**RELATIVE AUTONOMY AND THE DOMINANT CLASSES**

It is argued that the concept of state cannot be analysed in isolation from the socio-economic context. While the class analysis of the state power provides an overall framework to define nature and dynamics of state power in a particular social formation it is necessary to recognize the autonomous face of the state in development and transformation which may help us in understanding the social basis of state power in totality. The situation of dominant class combination operating in multitude social network of domination makes the state in a developing country relatively more... Continued...

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*domination, the plain people’s domination over tribes. Thus, while the class analysis of the state power provides an overall framework to define the character of state in definite mode of production it is necessary to recognise the autonomous face of such socio-cultural categories which helps in understanding the social basis of state-power in totality (See Manoranjan Mohanty, 1988:50-51; Rasheeduddin Khan, “The Total State: The concept and its Manifestation in the Indian Political System”, in Hasan, Jha and Khan (ed.), 1989:66).

autonomous. The internal contradictions within the dominant classes themselves\(^1\) and the
contradictions in the social formation combinedly allow the state agencies to enjoy a
degree of autonomy. The state's autonomy also gets reflected through its developmental
and responsive measures. It is also futile to look always for direct relations between the
development strategy and the interests of the capitalists. It is a deeper process of
interaction. The concept of 'relative autonomy' of the political just cannot be rejected
outrightly as an empty concept on the ground that this does not offer us a substantative
doctrine.\(^2\) For the clear formulation of this concept the 'determinism' and 'reductionism'
should be avoided.\(^3\) Relative autonomy has been stressed by liberal scholars\(^4\) and also
recognised by some Marxist scholars.\(^5\) Hence, the question of relative autonomy should
neither be ignored as an empty concept nor to be exaggerated which implicitly claims that

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1. See Pronab Bardhan, 1984:54-59.

2. This assumption keeps us away from what Skocpol calls 'the explanatory centrality of state as potent and
autonomous organisational actor' (see Skocpol, "Bringing the State Back In: Strategies of Analysis in Current
Research" in Skocpol, Evans and Rueschmeyer (ed.), 1985:4). Kaviraj argues that fundamental structures have
always to be represented or mediated (a term not wholly free from ambiguity) and the logic of this
representation relation is not of exact homology between real and perceived interest and between interests and
acts. It is through this conceptual space/gap-between class interest and concrete action that interpretative
explanations come to assume great significance. It is due to this non-homologous relation that the
presumptions of reductionism are false. For representation is not a relation of expressiveness. It is basically
an area of critical overlap between individual decisions that is called a class's mind in particular issue. Class
rarely takes decisions in simple sense, and what is called its mind is something that can only be retrospectively

3. Bob Jesop has emphasised that abstract, simple accounts of such phenomena as capital accumulation, the
state apparatus and the exercise of state power are necessarily indeterminate with reference to more concrete,
complex situations, forces, actions and events. He noted that the construction of theoretically-informed and
realist account of specific phenomena as resulting from the complex synthesis of multiple determinations
involves the rejection of reductionism and subsumption and the substitution of an emphasis on the differential,
contingently necessary articulation of various causal chains to produce the real-concrete. He also emphasised
that this need not lead a rejection of fundamental Marxist insights into the character of the state as a system of
political class domination (Bob Jesop, 1982:258-59).

4. Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research, in Skocpol, Evans

political developments can be understood in their own terms through a purely descriptive political history. Admittedly, the Indian state exercises a large measure of autonomy from the dominant classes, including big bourgeoisie. Decidedly the Indian state has played a dominant role in socio-economic change. The argument of autonomy derives its strength from the crucial role of politics in the Indian model of development where nation-building, economic development and egalitarian social order, all supposedly contingent upon the democratic process. The argument of autonomy has further been strengthened by the general point that the demands of national security, modern technology and bureaucratic approach to the development strategy of development has contributed significantly to the growth of state activity. By enjoying an autonomy, the state has emerged as a weighty actor to influence socio-economic changes. The land reform, welfare policies, compensatory justice for the weaker sections nationalisation of banks, regulatory measures in industrial sector are some of the testimonies of state's autonomous role. The congress frameworks of pluralism in the early period, based on the principles of consensus-compromise promoted state's autonomy by accommodating wide range of interest. At that particular conjecture the politics was accorded primacy in preserving the integrity and diversity of the socio-cultural forces through mechanism of conflict resolution and accommodation. And more importantly the state was assigned a crucial role for the translation of broader goals enumerated in the constitution of India into concrete policies and its implementations.

But there is no unanimity among the scholars regarding the explanation of relative autonomy of the state; assumption differs from scholar to scholar. K.N.Raj has observed

1. Scholar like Atul Kohli argues in this way. He gives too much of primacy to the politics and underemphasises the socio-economic variables. His admission of the fact that cultural and class variables have significant impact on society's politics lacks emphasis in his argument, as a result they became peripheral and epiphenomenal for him (see Kohli, 1990; Kohli, 1987).

that the government in the intermediate regime, of which India is an example, need not necessarily serve the dominant propertied classes namely the big bourgeois and the feudal lords. Certain developments in post-war world created some favourable conditions for the state to play an autonomous role like - (a) numerical dominance of lower middle class at the time of independence, (b) extensive role of the state in economic activities and in promoting a pattern of amalgamation of the interests of the lower middle class with state capitalism and (c) availability of credit from socialist countries. Marxist scholars like Hamza Alavi emphasised the mediatory role of the state apparatus in creating an autonomous space for it. The conditions that enabled the state to play such an autonomous role in post-colonial societies include inheritance of developed state from the imperial state at the time of independence and the inability of the dominant classes and their parties to use state as their instrument. According to Pranab Bardhan to secure the general and long-run interest of the dominant class and its hegemony over the dominated class, it is necessary for the state to acquire functional autonomy. This 'relative autonomy', the state acting not at the behest of, but for all practical purposes on behalf of the dominant proprietary class is, however highly inadequate. He admits that there are, of course, serious constraints posed by the imperatives of the dominant proprietary class, but to focuss exclusively on them is to ignore the large range of choices in goal formulation,

1. According to K.N.Raj the lower middle classes comprise along with small proprietors in agriculture, industry and commerce a wide variety of professionals, doctors, teachers, bureaucrats and others. The dependence of the lower middle classes and rich peasantry on state capitalism for their own development brought these classes together (see K.N.Raj, 1973:1,9).

2. The state in such society mediates between the competing propertied classes, namely the metropolitan bourgeoisie, the indigenous bourgeoisie, and the landed classes, while at the same time acting on behalf of them all to preserve the social order in which their interests are embedded, namely the institution of private property and the capitalist mode as the dominant mode of production (Hamza Alavi, 'State in Post Colonial Societies' in Goulbourne Harry, 1979:42).

agenda setting and policy execution that the state leadership usually has, and the powerful impulses shaping policies and actions that are generated within the state, fueled not merely by motives of self-aggrandisement but quite often also by 'conception of national interest'.

He attributes autonomous role of the state to (a) the existence of centralised powerful state which is an important part of the economic base itself, specifically in countries of delayed industrialisation, (b) direct ownership and control in the economic sphere, and (c) enormous prestige and sufficiently unified sense of ideological purpose of the state elite with the desirability of using state intervention to promote national economic development and (d) its regulatory (and hence patronage dispensing) role from the seventies onwards due to failures in the economic field.

After independence a relatively stable correlation of political class forces emerged through a broad consensus among the dominant classes. The congress under the leadership of Nehru was enjoying a great degree of legitimacy due to its proximity to the national freedom struggle and the implicit faith of the people on the leadership which helped the state to acquire greater degree of autonomy. The state under leadership of Nehru exercised large measure of autonomy from the dominant classes because of his broad strategy. The predominant leadership at the earlier phase is not seen as the creature or direct protege of any dominant class, but as acting relatively independently,

1. Pranab Bardhan, 1984:33-34.
3. Nehru's broad strategy was as follows. First, the state-building was based largely upon a democratic constitution, that is, change of society was imposed from above. At the international level the policy of non-alignment strengthened both its autonomy and sovereignty. Secondly, the process of nation-building and national integration was carried on to legitimise the state through the principles of consensus-compromise and accommodation of diversified interests. Thirdly, the relatively independent capitalist development was undertaken through planning, public sector, import-substitution industrialisation and regulating the entry of international corporations. In agrarian sector, capitalist growth was encouraged through land reform, Green Revolution and rural development programmes (This aspect has been analysed elaborately in the next part i.e. 'Development Strategy' of this chapter).
from a powerful state and political base. P.R. Brass argues that the leadership was able to adopt an economic development strategy not only because of the strength of the state and the party but because of the weakness of the potential opposition and because some of its policy measures did benefit important classes and groups.\textsuperscript{1} The mid-1960s marked a new phase in Indian politics with major changes in the correlation of class forces and their relationship with the state, which in combination with economic recession led to a crisis. To tide over the crisis the state emerged as the powerful centralised entity enjoying large measure which culminated into centralised authoritarian state during emergency. After emergency the state came back to normalcy but with a different face but still enjoyed the autonomy. The present state with its legitimacy in decline\textsuperscript{2} due to some distortions still enjoys an autonomy in relation to dominant classes.

However, the autonomy the state enjoys should not be exaggerated since it is not absolute, in the sense that though the state may come in conflict with particular members of the dominant classes by virtue of its position it cannot go against the general interests of the class as a whole. Therborn argues that the state is not a neutral or passive mediator. Its fundamental class character inscribed in the material rule-making, rule applying, rule-adjudicating and rule-enforcing apparatuses, as well as by the reproductive mechanisms of the ruling class circumscribe the radius of state intervention.\textsuperscript{3} Here mediation signifies not arbitration, but exercise of class power through state.\textsuperscript{4} In this broader context the ruling coalition of the dominant classes and its nature should be judged.

\begin{enumerate}
\item See Paul R. Brass, 1990:270.
\item The crisis of legitimacy is discussed in the fourth part i.e, 'Legitimisation Process', of this chapter.
\item Goran Therborn, 1980:219.
\item \textit{Ibid.} He further observed that class-state does not go between the classes in order to separate fighters but to connect them, in an asymmetric relationship of domination and exploitation. However, asymmetry does not entail unilaterality. The relationship is not one-way and the mediation processes involve the demands and protests of the ruled classes as well (\textit{Ibid.}, 220).
\end{enumerate}
In India, because of plurality and heterogeneity of ruling classes and the conflicts in their interests, we have a complexity of ruling class combination which exercises state power rather than any one of them doing so.\(^1\) It has been further complicated due to lack of a neat class formation in post-colonial society. Its social base is, however, not a differentiated autonomous capitalist class but a combination of classes-feudal, semi-feudal, capitalist and also neo-capitalist.\(^2\) In class terms, the ruling bloc in India comprises of three distinct social groups: the bourgeois, the rich peasantry and the bureaucratic managerial elite. In India relative weakness of the native bourgeoisie to initiate the path of development in industrial sector on its own compels the state to come to their assistance. The consensual politics of India is based on a coalition of dominant classes.\(^3\) It was the class content of this coalition, rather than congress coalitional or consensual politics, which performed a significant function in influencing the structure of dominance and the strategy of governance and development. This class coalition created serious difficulties in initiating basic structural changes essential for the mobilisation of resources for development. The terrain of political discourse was thus dictated by reformism which rendered the basic framework for generating support and sustaining the hegemony of the bourgeois.

There are structural forces in Indian society, entrenched social classes, whose actions constrain the political elites from implementing policies against the former's interest. State policies increasingly have come to reflect the interest of the dominant


\(^2\) This has already been discussed in earlier part of this chapter.

\(^3\) The functioning of class coalition has been discussed in detail by Prabhat Patnaik, "Imperialism and the Growth of Capitalism" in Robin Blackburn, 1975:62-65.
classes—the ‘Industrial capitalists’ who have profited from the import substitution policies, protected domestic markets and have learnt to turn to their advantage the industrial licensing system through better connection and better access to bureaucracy; the ‘rich farmers’ have been benefited from flawed implementation of the land reform, green revolution, substantial government price support and input subsidy programmes; and the ‘professional bureaucrats’ have gained considerable corrupt income from their administration of programmes for the benefit of the farmers and their control over the investment decisions of the industrialists and the business classes. This broad coalition among the above dominant classes is always not smooth sailing. There are significant conflicts of interest among these dominant classes. The size, diversity and the particularly nature of Indian society and economy splinter the forms of articulation of these conflicts. In recent years the conflict that has become obvious particularly between urban industrial and professional classes on the one hand and the rural hegemonic class of rich farmer on the other. The cleavage between the industrial and agrarian interests has surfaced in the speeches and writings of Sharad Joshi, one of the leaders and ideologues of farmers, and Charan Singh, the Jat Prime Minister a few years back. Both of them have highlighted the strangle hold of ‘urban lobbies’ and the ‘parasitic intelligentsia’. The recent public focus has been on agricultural prices, subsidy to agriculture and the terms of trade between the agricultural and industrial sector. In this particular conflict of interests

1. How the dominant classes have been benefited from the state policies is discussed in the next part “Development Strategy” of this chapter in detail.


between the industrial capitalist and the rich farmers, the bureaucratic managerial elite
plays the important role of mediation.

The third element of the ruling coalition i.e., bureaucratic elite performs a distinct
and significant function in the ruling bloc and its sprawling governmental apparatus.
These bureaucratic elite not only mediate between the ruling coalition and the other
classes, they also mediate crucially between classes within the ruling coalition themselves.¹
They also provide rationale legitimacy and the institutional drive for bourgeois rule. But
this class can not be considered as a straight forwardly subordinate to the power of the
bourgeoisie.² This bureaucrat culturally and ideologically is affiliated to the bourgeois
order, although not bourgeois in a direct prodcutive sense. As Planning on a large scale
from 1956 onwards expanded and as the rhetoric of social justice and redistribution
increased, this bureaucracy expanded rapidly. Because of increasing statisation and total
dependence on state institution for development process the bureaucracy started
functioning in colonialist and bureaucratic style, wholly monological, criminally wasteful,
utterly irresponsible and irresponsible to public sensitivity.³

Therborn observed that like all other processes of mediations, co-option functions
both through the state and non-state apparatuses.⁴ The Indian capitalist class exercises its

1. See Prabhat Patnaik, "Imperialism and the Growth of Capitalism" in Robin Blackburn, 1975; Pranab
   Bardhan, 1984; Rudolph and Rudolph, 1987; Hamza Alavi, 1972.

2. Sudipta Kaviraj argues that 'governance' is clearly distinct from 'domination'. Governance refers to the
   process of actual policy decisions within the apparatuses of the state. Of course, the stable structurcof class
dominance constrains and structures the process of governance, but it is quite different from the first (for
detail see Kaviraj, 1988:2431).

3. See Frankel, 1978; Rajni Kothari, 1989; Rudolph and Rudolph, 1987; Pranab Bardhan in Kohli (ed.),

4. The bourgeois state substituted fresh patterns of co-options. This legal equal opportunity of all citizens,
   universal suffrage, legal procedures are inscribed in material institutions and practices. In the twentieth
century co-option by economic growth has constituted an original and incresingly important process, the
function of which is to rally all classes behind policies and institutions of quantitative economic expansion
(Therborn, 1980:228-29). This is also applicable to India.
control by a coalitional strategy carried out partly through the state-directed process of economic growth and partly through the allocational necessities indicated by the bourgeois democratic political system. Although the autonomous power of the state can clearly increase if none of the classes constraining state action dominates the others, and although social cleavages make compromise difficult and multiply the stresses and strains on the polity, the Indian experience suggests that the very nature of class balance and heterogeneity may make the proprietary classes somewhat more interested in the maintenance of democratic processes.\(^1\) Placating the heterogeneous elements of the dominant coalition has contributed to the growth of non-plan expenditure and left the state with less amount of resources for the development plans of which the poor and the deprived sections are worst casualty. All these developments combinedly act against the realisation of broader goals of social justice.

III

DEVELOPMENTAL STRATEGY

India after its independence adopted specific development strategy that stressed the role of the state in economic, in both industrial and agrarian sectors, through the mechanism of state initiative and state policies by using the constitutional device. The state ordained for itself the goal of achieving a "socialistic pattern of society"\(^2\) by a series

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2. Jawaharlal Nehru, as the first Prime Minister, set the direction of India's development as an area of development between opposing ideologies of capitalism on the one hand and socialism on the other. It was an approach that sought to combine goals of growth and reduction of disparities while avoiding the violence and regimentation of revolutionary change. During Nehru's period, the developmental strategy was the direct result of Gandhian-socialist collaboration. (To understand the nature and content of the consensus that evolved see Francine Fankel. 1978:15-18).
of state interventionist policies for social welfare and common good. At the time of independence, after several decades of economic exploitation and stagnation under British rule, India was one of the poorest countries in the world. It was the great hope and aspiration of the founding fathers of the independent India to retrieve the people from the crushing burden of poverty and to herald a new era of justice; and the primary goal was reiterated over the years through five-year plan documents, political speeches and electoral slogans.

Contrary to Kothari's¹ assertion, the earlier phase of Indian politics under the leadership of Nehru was built on an elite consensus which passed uncontested because of its proximity to mobilisation of the national movement and the trust of the masses on its leadership. It was a consensus of discourse, rather than of ideological position.² At the early phase, the path of development of the Indian national state was charted out under Nehru's leadership, because the strategy of development was primarily state-oriented and as the Prime Minister he enjoyed the overwhelming power to chalk out the plans of development. Secondly, he enjoyed a silent but subtle and significant cultural approval of the modern elite including bureaucracy on which Nehru relied increasingly for the realisation of desired goals.

The Indian state inherited two distinct political legacies First, it inherited the repressive state structure more akin to colonial state structure i.e. its system of internal commands and control, its administrative ethos, its set of laws and rules with its legal

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¹ According to Kothari, the first phase of Indian politics was built on a kind of consensus which provided the rationale and legitimacy to it. (See Rajni Kothari, 1970) Actually at that time the mass support and faith on leadership because of its role in freedom struggle provided the legitimacy to to politics.

² Serious ideological criticism came up from the left, especially the socialists and communists, against the Nehruvian institutional pattern. But there was still a commonality, argues Kaviraj, at a different level. Despite seeming divisions among them, this created underlying unities among them when looked at from outside this discourse, which is what must have impressed the other classes and groups in Indian society (For detail see Kaviraj, 1990:11; also see Rajiv Dhavan, 1992:31-34).
strucure.\textsuperscript{1} And more significantly it inherited the popular image of developmental or welfare state as a legitimate inheritor of successful freedom movement of which it was quite vocal. It created an impression that it is a state of the people and for the people and specifically for the marginised and downtrodden section of the masses.\textsuperscript{2} This particular image provided all the rationale to the state to wield overwhelming power to take initiative in the spheres of socio-economic and political development.

\textbf{[A] \textit{INDUSTRIAL SECTOR}}

In the earlier phase of planned economic development in India, the main emphasis was on economic growth i.e. efforts were largely directed towards raising the level of output. Of course, reduction in inequalities of income and wealth, elimination of poverty and creation of employment opportunities were also mentioned as the objectives of planning, but they were never given high priority. The basic outlines and strategy of Indian economic development planning in the post-independence era was spelled in the Second Five Year Plan (1956-61), whose principal architect was P.C. Mahalanobis. The central core of this strategy of planned development was a move toward capitalist intensive, fast-paced heavy industrialisation led by the public sector. An increasing role was envisaged for the public sector so that in due course of time, it could gain

\textsuperscript{1} This aspect has already been discussed in Chapter-III.

\textsuperscript{2} This popular image of the state was expressed by the founding fathers very clearly in the constituent Assembly which has been mentioned in Chapter-II.
'commanding heights' of the economy. And the private sector was assigned a complementary role in the mixed-economy.

The development strategy greatly relied on percolation effect of growth for reduction in income inequalities. But economic growth by itself could not solve or even alleviate the problem within the reasonable time period. The policy measures at redistribution of existing assets proved to be ineffective. The Nehru-Mahalanobis strategy did not draw its principal inspiration from a reasoned analysis and assessment of the political economy of India: of its resources, social structure, and the immediate needs of its people. It also set aside or postponed virtually some other ideal goals to which Nehru and planners paid scant attention: the development of agriculture, creation of employment opportunity, balanced regional development, improvement in the well-being and quality of life of the rural poor and the distributive justice.

The same kind of strategy with minor modification continued till the Third Five Year Plan (1961-66). During second half of 1960s it was indicated that income inequalities in the country had not diminished during the planning period and the gains of development had not trickled down to reach the poorest. Failure in industrial development coupled with slow agricultural growth resulted in widespread unemployment and crushing poverty in large parts of rural India. The faith in the development strategy as

1. The public sector was accorded higher priority in the Industrial Policy Resolution of 1956. The importance of the public sector and the necessity to regulate the growth of the private sector was reemphasised in the light of the shift to a more explicitly 'socialistic' stance by the government. Nehru was particularly enthusiastic about the role of such policy in the evolution of a 'socialist' society. The architects of the plan were inspired by the successful experiments of the Soviet Union which adopted the similar strategy for its development after the Bolshevik Revolution.


3. The World Bank economist argued that the most important problem of the Third World countries was that of the removal of poverty, and growth by itself could not be relied upon to achieve this objective. Hollis Chenery of the World Bank remarked that paradoxically, while growth policies have succeeded beyond the expectations of the first decade of development, the very idea of aggregate growth as a social objective has increasingly been called into question (Hollis Chenery, 1974:XIII).
defined by Mahalanobis model was shaken and a 'Plan Holiday ' was declared for three
years (1966-69). During this three-year hiatus the coherence of the planning process itself
was lost and it was subjected to the conflicting pulls of competing strategies and competing
demands for resources, and to political manipulations.

In the Fourth Plan (1969-74) also the basic framework of Mahalanobis strategy was
retained. Only in Draft Fifth Five Year Plan it was admitted that although economic
development during the two decades of planning has resulted in average per capita
income, yet large numbers have remained poor. The Draft Five Year Plan (1978-83),
which the Janata Government had adopted, stated a new development strategy. The
Planning Commission acknowledged that the achievement of a little higher growth rate at
the cost of social justice to the poorest sections of population was not a correct policy.
And a measureable increase in the welfare of the millions of the poor within a specified
time-frame was stressed. However, despite scathing criticism levelled against
Mahalanobis strategy of development, the new strategy failed completely to reverse it.

Rajiv Gandhi’s government shifted the balance in the planning process in favour of
private investment While taking several measures to liberalise the licensing, import
control, and foreign trade regimes which has been accused of distorting and corrupting the
entire development process. The Narasimha Rao government announced new industrial

1. G.S. Bhalla has aptly stated that the poor shape of the economy due to low growth rate, lack of
diversification, concentration of economic power in the hands of urban industrialists and rich farmers, widespread prevalence of poverty among the rural and urban masses led to mounting discontent with the chosen path of development and as a consequence of the poor performance of the economy the basic strategy of Indian development came under fierce attack. (See G.S. Bhalla, 'Alternative Strategies in Indian Development' in B.K. Joshi (ed.), 1984:99)


policy in Parliament on 24th July, 1991. The policy rubric under which these changes have been taking place is 'liberalisation' of the import and export control regime, which presents the most consistent set of policies of any sort followed by Rajiv Gandhi since his assumption of power in 1985 and also by his successor.

The development strategy in industrial sector pursued by the Indian state since its independence, has run counter to its prime objectives as expressed in plan documents and industrial policy resolutions. The development strategy has been more favourable to the development of capitalism than the achievement of 'socialistic pattern of society'. By the time Nehru, the architect of socialistic pattern of society, became Prime Minister, he had already distanced away from his scientific socialist beliefs, but he had not given up science. The Nehruvian development paradigm was identifiably bourgeois.

This path of development has been followed by the successive regimes without any radical change. The changes are only minor and cosmetic. The Rajiv Gandhi regime and its successor Narshima Rao government have pursued the capitalistic path of development

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3. Still his commitment to a British Labour version of social democracy made him interfere with what others would have considered more natural course of capitalist growth (See Kaviraj, 1990:11-12).
4. Industrialisation required, first, the establishment of the primary sector and the state intervention was the only alternative for such large scale planning and investment. Only the state could perform the multiple and complex tasks involved in the capitalist modernisation of underdevelopment economy which had been distorted by colonial intervention (O.D. Ulrich, 1975:20). Secondly, the public sector is not only to provide the infrastructure for development, but also to reduce machines for the modern and technologically based productive forces. It was imperative on the part of capitalists to have public sector that mobilizes public funds and uses them to subsidize industry and the agriculture one way or other (See Ranjit Sau, 1981:81). Thirdly, it was the state which could only protect the rising indigenous capitalist class in its infant stage from the unequal competition of large international corporation through control mechanism. Fourthly, the state by possessing sufficiently large stock of liquid resources can also decide to divert into redistributive projects which would ultimately provide rationale to the class rule. The primary role of state in developmental sphere did not risk large scale sacrifices by propertyed classes for the immediate achievement of the development objectives. All these attempts helped the emerging bourgeois class to rise and develop.
more openly through the policy of liberalisation under the rubric of efficiency, quality and productivity. The change in the direction of policy is the resultant effect of the heightened pressure from a combination of both internal and external forces. This very change is a symptomatic of imminent crisis primarily caused by economic stagnation underlines the fundamental weakness of the class coalition and its problems in pushing self sustaining industrialization. The big bourgeoisie put pressure for greater liberalisation, downgrading of planning and trimming of the public sector with simultaneous clamour from the rich peasant section for public investments in irrigation and subsidies for agricultural growth. The World Banks and other external agencies also mounted their own set of pressure which finally led to a shift in priorities and the devaluation of the rupee and submission of the economy to the pressures of external powers. Paradoxically, at least apparently, the Indian state is pursuing a mix of regulatory and facilitating policies for the development of the private corporate sector; it is rather more facilitating now than elusively regulatory.

An adequate industrial infrastructure and exportable surpluses have been created to satisfy the consumer needs of the owning class and their middle class cohort through the institutions of the state. Rajni Kothari argues that these classes have lost interest in continuing the operation of an interventionist state for that should have meant responding to the demands for redistribution, welfare and a more participatory framework of economic

1. Now the indigenous capitalist class is more in need of liberalisation of the Indian industrial economy from the cobwebs of unnecessary bureaucratic control and approval of direct foreign investment through open-door policy than regulatory policies followed earlier. At the early phase the indigenous bourgeoisie were in their infant/weak stage and they wanted the state to protect them from the external competition because of their fear of being absorbed by the overwhelmingly powerful international corporations. Hence they supported the regulatory policies of the state at the initial phase. But now the indigenous capitalist class has gained stability and maturity as well as accumulated enough capital. The uneven growth has led to a kind of competition among the large business houses. These large business houses for the expansion of their markets require industrial modernisation and technological upgradation through foreign collaborations. Their own indigenous technology has failed to cater to the emerging needs of the present market. The competition have induced them to go for newer technology (While one business house collaborates with one multinational corporation (MNC), the other house goes for another MNC). Hence the liberalisation.
management. The result has been on emphasis simultaneously on liberalisation and lowering of taxes on the rich, presumably to increase incentives and replace the role of the state by that of the market and on modernisation and computerisation of the technological base in which, of course, the state is expected to play a big role. The present policy has helped in the flourish of seductive ‘consumerism’ which in India has become an elite culture that has kept the masses out. This consumerism by the help of stupefying advertisements through mass media is trying to captivate the very psyche of the masses and creating a gulf between the ‘need’ and ‘want’.

The mixed economy of India based on peaceful coexistence of public and private sectors, where the latter is by far the dominant one in terms of size, is determined by the interaction of what has been called the invisible hand of the market and visible hand of planning. The comparative inadequacy of the planning process and its failure to achieve said objectives, the contradiction of mixed economy in an unequal society revealed some of the worst aspects of what may be called ‘Unstructured capitalism’, which is still the main form of the economy both in the agricultural and the industrial sectors. The pervading


2. It would not be out of context to quote Paul A. Baron who observed the same trend in different context. “It no longer serves merely as a brake on people’s striving for better society, it no longer represents merely a barbed wire entanglement keeping people from satisfying their basic needs and potentialities— it has now reached its ultimate target: it has crippled that striving itself, it has driven a powerful wedge between human ‘needs’ and human ‘wants’. People steeped in the culture do not want what they need and do not need what they want (See Paul A. Baron, 1969:29-30). And finally the upper and middle classes will enjoy the imported mass culture of consumption and comfort while the masses (the poorer section) will be left helplessly to the forces of market.


4. See Gadgil, 1972. With the new measures for liberalisation of the economy, ‘market forces’ are playing an increasing role in determining investment priorities, production and consumption patterns and income distribution.

5. For related discussion on several critical issues see Amiya Bagchi, 1982.
atmosphere of the politics of patronage and a regime of clientelist machine politics, argues Pronab Bardhan, fostered by a flabby and heterogeneous dominant coalition pre-occupied with an anarchical grabbing of public resources, has choked off efficient management and utilization of capital in the public sector even in case of substantial public investment.1

The fiscal and managerial crises that are associated with the pattern of slow economic growth in India being oblivious of the enormous poverty and vast unemployment have in turn generated a kind of political legitimation crisis.2 In India the trend shows the bigger ones grow faster than the small companies. The concentration of economic power in few hands continues and there has been a steady expansion of the big houses (Which control 75% of the GNP as against 7% by the small sector).3 Large business houses have experienced uneven growth leading to a certain degree of competition among them of course of a different kind. Ranjit Sau remarks that the private corporate sector in India seems to be in the throes of a crisis of capital accumulation.4 The registered firms (small scale industries) are mostly satellite or dummies of bigger capitals to escape taxation which are the institutional blanket for the operation of black money characterised by K.N. Raj as the underworld of the parallel economy in India.5


2. As tensions and frustration with the old patronage distribution network build up, observes Prof. Pronab Bardhan, the legitimacy of the political machine declines, the hegemonic holds of the dominant proprietary classes over the subordinate classes starts slipping away even while their economic grip remains strong, and some partners in the dominant coalition start looking for other, more secure ways of conflict resolution, for more centralised forms of arbitration (Pronab Bardhan in Kohli (ed.), 1991:222).


4. Ranjit Sau argues that concentration of capital is a function of the growth rate of accumulation. Big become bigger; capital turned against capital and bigger one started absorbing the smaller one. The MRTP Act in the late sixties was more in the nature of window-dressing, or at best a feeble attempt to turn the tide. With sharpening of tension between various sections of capital in the phase of centralisation, the bourgeoisie of India has been looking towards foreign capital for succour (See Ranjit Sau, 1981:43-49).

5. Cited in Ranjit Sau, 1981:48; also see Bardhan, 1984:43-44.
(B) AGRARIAN SECTOR

(i) Land Reforms

During the second Five Year Plan it was realised that self reliant industrial economy can not be established without the transformation of the agrarian sector. The state intervened in the restructuring of agrarian society to change the pattern of land ownership and developing new productive forces with a view to raising agricultural production. There was a broad consensus among the Congress leaders that inequalities in the rural area were inconsistent with the democratic and socialist goals of the Congress and that, therefore, the intermediaries and other exploiters should be abolished, land ceiling be imposed and surplus land available be distributed among the poorer farmers and the landless.1 But there was division among Congressmen concerning more drastic forms of agrarian reforms and reorganisation. However, the economic rationale for the speedy reorganisation of the agrarian sector in the context of the large industrial programme projected for the Second Plan were highly persuasive.2 The state leadership

1. The government defined the objectives of land reform as follows: (i) to remove such impediments (exploitation of the actual tillers of the soil) to increase in agricultural production as arise from the agrarian structure inherited from the past; and (ii) to eliminate all forms of exploitation and social injustice within the agrarian system, to provide security for the tiller of the soil and assure equality of status and opportunity to all sections of the rural population (see Third Five Year Plan:220).

But the Second Five Year Plan had already recommended imposing ceilings on existing agricultural holdings (See Second Five Year Plan:194).

Measures contemplated to achieve these objectives were:

(a) Abolition of intermediaries, (b) Tenancy Reforms and (c) Reorganisation of Agriculture.

The basic intention of the agrarian strategy of the Nehru era was to advance justice and equity among agricultural producers and at the same time to increase agricultural production by releasing the forces of production.

2. It required an infusion of leadership at the village level to take the initiative in the political education and organisation of the peasantry. The political strategy, observed Frankel, could only proceed through a process of gradual restratification of the traditional social order, which offered sufficient concessions on the scope and pace of change to reassure the propertied class against the threat of expropriation and prevent their active opposition to effective implementation of agrarian reforms (See F.R. Frankel, 1978:120-21).
of the congress virtually everywhere had no interest in such proposals, which could only antagonise the party's predominant rural supporters, the principal land controlling castes in countryside.¹

But the achievements of land reforms in India have been dismal.² Contrary to the official claim that zamindari system has been completely abolished, it still persists but has only changed its grab. They are now designed as 'big land owners' and along with the rich peasantry have formed 'a new and dominant class of rural capitalists'.³ In the states the ceiling (the amount of land a former zamindar can hold) has been kept so high that hardly any zamindar has been affected. 'Personal cultivation', defined loosely by the legislation contained the biggest 'hole' which was manipulated by the Samindars in their favour.⁴ One of the principal criticisms of the land reforms laws is that there has been much dilatoriness in their application, allowing in many cases the development of counter measures which have frustrated their basic measures.⁵ The most dismal failure of land reform programme has been in respect of land-ceiling and land redistribution.⁶

The purpose of the abolition of intermediaries legislation was not merely to reduce the economic power of the landlords but also to abolish the many feudal exactions which they had imposed on the peasantry. The abolition of intermediaries was accompanied by the payment of compensation on a graduated scale. Some of them created tenures in the name of members of their family and recovered compensation at much higher rates than


5. For a review of this see Daniel Thorner, 1973.

they were entitled to.\textsuperscript{1} As a result the redistributive effect of the laws abolishing intermediaries have been different from the desired one. The abolition of intermediaries transformed agrarian relations by shifting oriented independent cultivators, whom Rudolph has categorised as \textit{bullock capitalists}.\textsuperscript{2} Change occurred at the top and near the top of the agrarian pyramid but marginal tenants, dwarf holders and landless were left untouched by the change.

Tenancy legislation has had different consequences in different states. Broadly speaking this legislation has not had the desired effect. Legislation fixing minimum limit of rent have often been violated. Because of the strong socio-economic and political clout of the landowners in the countryside, they have been able to extract considerably more rent from the peasants than the fixed amount.\textsuperscript{3} Being economically and socially weak the sharecroppers were not in a position to assert their right. In most cases the evasion of security of tenure was due to its oral and informal nature. Very often the landlords applied various kinds of threats and pressure to surrender the land which was considered as 'voluntary surrender'.\textsuperscript{4} These laws had adverse consequences for tenants and sharecroppers who had in many areas been evicted by their landlords which added more apathy and miseries to their existing conditions.

The major causes of failure of land reform may be attributed to the factors like snags in the legislation, lack of political will and apathy of bureaucracy. Because of major loopholes in the legislation relating to land ceiling, the zamindars could be able to

\begin{itemize}
\item[1.] See See Beteille, 1972:30.
\item[2.] See Rudolph and Rudolph, 1987:315; also see Bardhan, 1984:46.
\item[3.] For the case studies of the violation of this law see P.S. Appu, 1975:1349.
\item[4.] For the aims and legality of the legislation for security of tenures see Third Five Year Plan:223 and Fourth Five Year Plan (1969-74):185-86.
\end{itemize}
transfer the land their family members. Despite government's effort to check the malafide
transfer nothing seems to have been done in this direction. The legislative snags in the
definition of 'personal cultivation' and 'voluntary surrender' gave the landlords ample
scope for manoeuvring.\textsuperscript{1} The ironical combination of expressing sympathy to the poor
with simultaneous alignment with the rich outweighed all other consideration and reduced
all land reform to a mere farce. Given the dismal progress of land reforms, it appears that
the governments merely robed themselves with the progressive and socialist look but
lacked genuine interest and continued to function under the directions and pressures of
the dominant and entrenched interest.\textsuperscript{2} The lack of political will and the apathy of
bureaucracy\textsuperscript{3} are intricately linked up together to make the land reform legislations
unsuccessful. The attitude of bureaucracy towards land reforms has generally been
'luke-warm' and it has tried to play safe by aligning with the big landlords. The political,
bureaucratic and large farmer lobby nexus has served the interests of the participants and
all of them have benefited from it. The declared surplus land was acquired mostly in the
names of a retinue of relatives, obliging landless or Harijans.\textsuperscript{4} Sometimes the officers
misused their authority by forcibly evicting the existing tenants and occupants in collusion

\textsuperscript{1} These aspects have already been discussed in the earlier part of this section.

\textsuperscript{2} The Report of the Task Force on Agrarian Relations has remarked that in the context of the socio-economic
conditions prevailing in the rural areas of the country no tangible progress can be expected in the field of land
reform in the absence of requisite political will and effective political support. The sad truth is that this crucial
factor has been wanting. The lack of political will is amply demonstrated by the large hiatus between policy
and legislation, law and its implementation, percept and practice, and policy pronouncements and actual
execution. In the absence of such will even minor obstacles become formidable road blocks. Considering the
character of the political power structure obtaining in the country it was only natural that required political will
was not forthcoming (See the Report of the Task Force, 1973).


\textsuperscript{4} According to Beteille there has been widespread evasion of the ceiling laws so that not much surplus land
could be recovered and the little that was recovered has not been distributed among the needy because of
administrative bottlenecks which have acted to the advantage of the higher strata and to the detriment of the
lower (Beteille, 1972:31).
with police, field revenue staff and local large landowners. The rich peasant power dominates state governments, regional and local administration and serves as the principal instrument of land grabbing and as a strong impediment in the implementation of land reforms.\(^1\)

The root cause of the failure of land reform lies in the fact that these social goals offered a painful contrast to social realities. On the eve of independence, India was still meddled with the sharp disparities of the most deeply stratified society. The local caste hierarchy closely, although imperfectly, paralleled the distribution of land power in the village economy and it coincided with political authority.\(^2\) Together these multiple inequalities excluded the majority of the rural population from effective participation in either the economic or political development process. The situation was further aggravated because of gratuitous exposure of its predominantly peasant economy to capitalist economic incentives and institution for over one hundred years.\(^3\) Andre Beteille has rightly observed that this kind of change (the change brought about by this land reform) might be described as a change from a system of cumulative inequalities to one of dispersed inequalities; or from a relatively closed to a relatively open system of stratification.\(^4\) And the political instruments which are used for destroying an existing system of inequality are not wholly neutral but themselves become the basis for a new

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2. See F.R.Frankel, 1978:8
3. Frankel argues that under that particular situation the agrarian reform was quite unrealistic. In contrast to conditions of advanced social disintegration favouring the success of peasantry revolutionary movement elsewhere, traditional beliefs, attitudes and institutions still retained extraordinary vitality as rallying points for popular loyalties. Class consciousness and the peasant organisation was correspondingly low (See F.R.Frankel, 1978:18-21).
system of inequality. As a result of which land reform laws, ostensibly meant for the benefit of the under-privileged, have not basically altered India's village structure. The small minority of oligarchs (in collusion with politicians and the bureaucrats) have had wit and resources enough to get around these laws in which, in any event, the loopholes were so large as to give them ample manoeuvring ground. Though, it could not accomplish formally declared reforms, over the longer period large scale changes took place -- shift of power in rural India to a class of aggressive, recalcitrant, conservative and politically ambitious richer peasants who wanted to retain hierarchical structure with unrestricted power at the upper strata and rightlessness of poor peasants and landless labourers.

The defeat of Nagpur resolution, noted Rudolph and Rudolph, marked the end of efforts at national level to bring about large-scale and radical structural changes in Indian agrarian sector and triggered early manipulations of agrarian politics. Congress' efforts to lower ceiling on landholding was suspected as a threat to property rights in agriculture. Although this effort could sustain the Nagpur debacle, yet it met with serious hostility at the state level. Where landed property interests were entrenched and powerful which gave rise to flawed result, easy evasion of legislation and ineffective implementation after protracted delays, and finally ended in fiasco.

1. Brass observed that the state leadership of the Congress virtually everywhere had no interest in land reform proposals, which could only antagonise the party's predominant rural supporters, the principal land controlling castes in the countryside. Virtually everywhere, therefore, land ceiling legislation was a farce and land distribution practically non-existent. (P.R. Brass, 1990:253).

2. Daniel Thorner, 1973:72. He comments that by passing themselves off, whether legally or illegally, as tillers and cultivators, the village oligarchs have gone on running India's rural life. Their uninterrupted presence in power means that the forces of the "depressors" confine to operate strongly in the countryside. (Ibid).


4. The land reform legislation meticulously planned by the bureaucratic and central elite of Congress was equally meticulously frustrated by its state and lower leadership. It was a failure more because of lack of political will and rather than its basic technical reasoning though its hopefulness that redistribution of land would increase agricultural output was unfounded and unrealistic.
(ii) *Green Revolution*

The period of mid-1960s was a major turning-point of Indian agricultural development policy. The new agricultural strategy, more popularly known as "Green Revolution", introduced in this period, focussed on new technologies and inputs, increased investment in agriculture, and food production for self-reliance. The major feature of the new agricultural strategy is its "package" approach. During that period a series of independently caused but conjecturally related events profoundly affected the determination of the policy-makers of the Government of India to intensify measures to increase agricultural production to make India self-sufficient in foodgrains. The new strategy or major shift in direction, strengthened by a promise of the new High Yielding Varieties (HYV) programme for dramatic and quick increase in production. 

The plan outlay for agriculture was increased and new programmes for particular areas and crops were established. The Intensive Agricultural District Programme (IADP), was maintained and new resources were supplied for the districts involved in the programme. HYV Programme depended for its success especially on the availability of proper irrigation facilities and various other inputs. Therefore, it could only be accepted in those regions which had regular irrigation facilities and only by those farmers who could

1. The basic elements of package adopted were: High Yielding Varieties (HYV) seeds, fertilisers, pesticides, weedicides and other plant protection chemicals (for chemicalization of Indian agriculture), the acceptance of the American type of developing modern scientific agriculture through the creation of a network of land grant colleges in every state in the country. All these constituted a package to be used by farmers.


"afford" to purchase necessary agricultural inputs.¹

This agricultural strategy was launched basically from a fallacious premise and assumptions. It is based on the same mistaken premise of Nehruvian-Mahalanobis’ *trickle down* theory. Since independence, Indian policy-makers viewed problems of increasing agricultural production essentially in aggregate terms and in terms of consumer needs rather than in terms of the needs and goals of the farmers themselves. It was presumed that consumption needs of the country can be maximised by bringing out the Indian peasantry from their wretched condition and inducing them to produce more. This assumption gave forth a policy of concentrating on those areas of the country where conditions were seemingly favourable for rapid production boost. Even though, there was a rise in production of wheat and rice, these effects were concentrated and confined to only few pockets giving rise to inter-regional disparities in agricultural production and prosperity.²

The most telling and controversial issue surrounding the Green Revolution is its consequence which has led to increase in social disparities by benefiting only the microscopic few.³ It was widely perceived that the revolution’s economic benefits were accruing mainly to the better-off farmers. It was believed that, in any case, it made the

1. This HYVP was primarily meant for the bigger farmers with the knowledge, resource and local influence who were in a position to adopt this new HYVs and had the capacity to bear the required expenses. These bigger farmers were given in euphemistic label of "progressive farmers" and their emergence was proclaimed as notable development in 1966-67 that augured well for the future of new strategy (See *Economic Survey of Indian Agriculture, 1966-67:VIII*).

On account of this reason, this new strategy led to an increase in inter-regional and inter-personal inequalities.

2. See F.R. Frankel, 1971; Utsa Patnaik, 1971(a) and (b); P.R. Brass, 1990; Rudolph and Rudolph, 1987;

3. See F.R. Frankel, 1971; Pranab Bardhan, 1974; Utsa Patnaik, 1971(a) and (b); Ranjit Sau, 1981; Rudolph and Rudolph, 1987; P.R. Brass, 1990; Frankel, 1978.
existing gap between rich and poor peasant and landless further. The adoption of the new capital intensive technology shifted the advantage of productivity in favour of big farmers. Besides, the large farmers have greater risk-bearing capacity and therefore, are in a better position to exploit new opportunities. One of the consequences of Green Revolution technology was to reduce the demand for labour, as a result, to lower the income of agricultural workers by depressing real wages. The state also adopted a "soft attitude" towards large farmers by granting them easier access to agricultural inputs and credit facilities.

The option of betting on the strong was chosen as the best alternative not because of the supposed enterpreneurial superiority of large farmers but because of a combination of politico-economic factors. Thus, the chosen strategy was the outcome of the predominant balance of political forces. The new agricultural strategy marked the rejection of the concept of agricultural transformation based on the vast mass of emancipated peasants as growth agents and also the path leading to non-acquisitive and non-exploitative oriented rural economy.

Although in principle the new technology is neutral in effect the new strategy was tantamount to encouraging capitalist farms. The new agricultural technology, with its high profitability and an abundant supply of labour at low wages provide the ground for

1. Bardhan discovered that specific concentration ration of farm business had increased during the period spanning roughly from 1955-57 to 1969-71 (Bardhan, 1974). Also see Frankel, 1971.


3. Sukhamoy Chakravarty has pointed out that we have forgotten to ask whether an increase in output of the recorded extent could have been generated in a different power context. (See Sukhamoy Chakravarty, "Power Structure and Agricultural Productivity" in Megham and Desai (ed.), 1984:356).

4. The early optimism of Nehru era, based on the production consequence of land reform and the post-Nehru optimism, based on putative productivity gains of HYVP, is replaced by pessimism and discouragement as production growth flattened out, distributive justice ignored and hiatus between the rich and the poor widened.

capitalist expansion of agriculture. There has emerged a tendency towards profit-oriented production and investment in land by a section of cultivating population giving rise to a new class of capitalist farmers.¹ This promoted capitalistic development paradigm has totally neglected the aspect of distributive justice and moves with misinformed assumption that the new exogenous technology is adequate for employment and should be imposed upon a backward and illiterate peasantry for alleviation of their poverty. The production in rural area exhibits extensive evidence of interpenetration of social and technical organisations of production characteristic of modern capitalism with pre-capitalist relation of production.² The capitalist production in the countryside with the simultaneous existence of pre-capitalist relation of production and of various enclaves of pre-capitalist forms and the persistence of semi-feudal forms of exploitation give rise to retrograde capitalism. Thus the benefits could not drip down to the bottom in an expected way.

There has been significant rise of kulaks,³ the wealthy producers, with simultaneous emergence of a class of aggressive, politically ambitious and conservative bullock capitalist⁴ who made their presence conspicuous in Indian politics in late 1960s. These backward caste, independent agricultural producers, are advantageously placed by their objective circumstances to become the hegemonic agrarian class speaking for a broad spectrum of agricultural producers. This class felt that they were not getting a large share

1. It is observed that a new class of capitalist farmers are emerging. This is a phenomenon common to every region in so far as every area has been subject to the same forces albeit operating with varying intensity-of an expanding market and enhanced profitability of agricultural production. This development varies in different region but the reality of process is undesirable (for detail Utsa Patnaik, 1971 (a)&(b)).


3. The term ‘kulak’ in the Leninist literature refers to rich peasants and farmers who employ and exploit farm labour to whom they are also generally antagonistic.

4. ‘Bullock Capitalist’ used by Rudolph and Rudolph, are independent producer groups, the middle peasant, an economic category mainly belonging to ‘Backward Class’ an administrative euphemism for backward caste (see Rudolph and Rudolph, 1987).
of advantage and their rising economic power was insufficiently translated into political authority. The convergence of economic and status interests in the agrarian political class made it particularly potent in Indian politics.\textsuperscript{1} The demand by this backward caste group for reservation of posts in government service and seats in educational institutions partly reflects their efforts and aspiration to challenge the hegemonic hold of the traditionally literate upper caste on governmental jobs. Such families hoped to diversify to place one or two family members in office jobs and thus improve the family's standing in social ladder, income and security. This introduced a conflict of interests within the structure of ruling coalition, the effects of which were significant in the long run.

Thus the development strategy failed to translate the objectives of social justice enumerated in our Constitution. The state through this paradigm of development could not restructure the society to achieve the goals of justice. The state because of its inherent limitation has not been able to play the assigned role of social transformer and harbinger of justice rather has got circumscribed by its own logic of development. The development strategy adopted by the state had delimited its role to build a society based on justice and equity. The development strategy of state has helped in the rise of minute section at the cost of larger section of society who have been left totally unaffected by it. It has further accentuated the existing inequality and injustice. Despite the state's repeated proclamations, the poor and deprived sections remain unsalvaged and their miseries unredeemed.

\textsuperscript{1} See F.R. Frankel, 1978; Rudolph and Rudolph, 1987; Paul R. Brass, 1990.
The state as an institution takes its power acceptable to the wider section of the people through the process of legitimisation. The legitimisation process makes the state power acceptable to the wider section of the people. The state through its responsive role i.e. responding to the needs of the people and demand of change through institutionalised structure, and carrying out reforms in the system and welfare functions gains legitimacy. This process is not mere specifically but necessarily substantiative one without which the state would find itself hard to survive and more specifically in a society replete with contradiction like ours. Economic self-reliance, national security, distributive economic policy, institutionalisation of social democracy and establishing the authenticity of national political culture are some of the imperatives for the legitimacy of state power. 1

The ruling classes are anxious for legitimacy to have a hegemonic control over the masses and particularly at the time of crisis their anxiety for it is more acute. Through variety of institutions like parliament, election, political party, judiciary, press, media, education etc., the ruling classes convey to the people that the state truely represents and serves the interest of all sections of society. The ideological hegemony is exercised through a subtle form of domination of thought structure. In a crisis situation the ruling classes, apart from these routine exercises, take recourses to 'populism', 'rhetorics' and 'myths' to have an immediate respite. With the help of these populist measures they try to ventilate

1. Of course these considerations stem from a set of normative premises depending on the needs of the society. Rajni Kothari has attributed democracy the major role in this process. He remarks that without accepting the institutions and rationale of democracy, it is difficult to see how state and nations can prove their authenticity and credibility, and acquire legitimacy as affirmation of popular will (see Kothari, 1989:131) Atul Kohli also supports this view (see Atul Kohli, 1990; Atul Kohli (ed.),1991:2-14).

Yet these do not replace the coercive essence of the state. It is again and again domination of the ruling class, the coercive organ police, military or para-military forces intervene. In the developing countries these instances appear more because the responsive and legitimative process have not been stabilised.
immediate grievances of the masses which otherwise threaten their very existence and
symptomise every probability of leading the state into impending crisis. In India, 'justice'
has been used by the ruling elite for legitimisation process and more often during crisis of
legitimacy. Although the congress leadership under Nehru discreetly renounced promises
of distributive justice which had come to constitute an informal programme, yet the need
for ideological legitimisation made an abstractly redistributive programme imperative. The
successive governments have used 'justice' as rhetoric without having a genuine
commitment to this value. Hence use of justice in its rhetoric forms like distributive
justice for the poor or the 'compensatory justice' for special sections of society by the
political leaders should be judged in this broader context of legitimisation process and
more specifically in a crisis-ridden situation. Now India is passing through crises
accumulated over the past two and a half decades; while justice in the mean time has gained
wider currency and topicality among the political leadership to manage these ensuing
crises.

Now the state itself is in decline and its autonomy is not clear from a variety of
vantage points. The institutions, on which the state is based, are all in the process of
erosion. Especially during 1970s of Indira Gandhi's rule the situation was exasperated.
The precarious balance between the strains and resilience appeared once again to have
tilted toward the emergence of multiple strains leading to the crisis of whole political
order. The significance of political parties has declined and personal rule has replaced
party rule; the relatively neutral civil service has become more and more politicised and
lost its elan; violence, corruption and crime have become synonymous with politics; new
social forces have become politicised because of erosion of state institutions and use of

armed forces for the maintenance of law and order has become a regular feature. Rajni Kothari has observed that the decline of institutions is also found in the phenomenal increase in the power and authority of persons not liable to institutional restraints, in the increasing tendency to treat politics as a zero-sum game and the state as private property and in growing desperation in the struggle for power on all sides.\(^1\) It has brought into question the cognitive, the political and the moral legitimacy of the whole institutional regime constructed so zealously after independence.

The present malaise can be traced back to Nehruvian strategy of social change. To some extent, noted Rajeev Dhavan, the narrowing vision within which public and eventually private-dialogue came to be confined was, willy nilly, placed in position by the high sounding ideals impregnated into Indian discourse by India’s first PM and the elite around him. Nehru created what could be called the Great Discourse which grew out of his belief in a future society founded on the rationality of modern science and uniting people into a secular faith imbued with the social equity of powerful state sponsored socialism.\(^2\) Thus Nehruvian democracy and strategy of social change was constructed on anomalous base full of contradictions. Nehru’s increasing dependence on monological instruments of state and bureaucracy contributed to the widening gap between elite and subaltern political semiotics and accentuating the divergence between populist government policies and popular consciousness.\(^3\)

\(^1\) See Rajni Kothari, 1989:93. He has also noted that each of these institutions have either been denuded of their respective powers or hijacked by the new class of bullies and criminals, or suspended altogether (Ibid).

\(^2\) See Rajiv Dhavan, 1992:31-32. The significance of Great Discourse was its all-pervasiveness. The Great Discourse-founded on science, secularism and socialism-had come to stay to dominate administrative and political society and the ideological apparatus of the Indian state. It was the prime motif of governance, the triumphant assertion of the power of the middle class to govern with modern common sense, commitment and compassion (Ibid).

\(^3\) For a better understanding of these two discourses i.e., Elite and Subaltern, see Kaviraj, 1990 and Rajiv Dhavan, 1992.
The changes related to the weakening of the political regime was brought about by reworking, though not fundamentally, of strategy of change in post-Nehru period. The Strategy of Land Reform and Green Revolution which helped in the emergence of rich peasants sharpened the contradictions in the class-coalition due to the rising ambition of this class. Because of the development of rapid but highly skewed and potentially detrimental capitalist growth confined to small pockets of the agricultural sector, the state came to rely more on atomised, directly venal appeals to individuals and groups and also resorted to opportunistic populistic slogans leading to temporary mobilisation of segments of underprivileged rural classes and of the urban underclass. Moreover, a number of intermediate castes—often called as Backward—the beneficiaries of Green Revolution, who were traditionally ignored by the elite-dominated Congress, have provided a formidable opposition to the old and established ruling alliances to have political power in common-surate with their enhanced economic status. Now the problem for India is how to incorporate diverse interests. While simultaneously standing above them to steer and guide socio-economic change.

Indira Gandhi, faced with recurring choice between accommodation with, and exclusion of, adopted a recalcitrant stance which affected the image of earlier Congress and its legitimacy. Instead of institutional accommodation of new demands, which was very difficult at that time, she established a pattern of personal rule: Congress party organisation was downgraded; state-based leaders were reduced to the status of being clients of the centre; party and posts and patronage at the state levels shifted to sycophants; elections within the party were not allowed to be revived; the cabinet, the parliament and even the Constitution were bypassed; routine administration came to be executed by a loyal and politicised bureaucracy; elections were contested by populist

mobilisation.\textsuperscript{1} Indira Gandhi's personalised and centralised rule hastened the long-term structural erosion of institutional rule in India. Further conflicts in mobilized democracies like India's are harder to tackle when the economic resource is meagre and both intra-elite and elite mass conflicts have been exacerbated by scarcity. The crisis of the Indian economy deepened in 1970s in the face of rise in inflation, acute food shortage and vast unemployment.

Indira Gandhi's initiatives in the years after 1967 are indicative of crisis of legitimacy faced by congress with the implicit acceptance of inequitous social change Mrs Gandhi restated the objective of social justice in a dramatic way. There was an evidence of change in economic policy; and planning was hollowed out of its substance and declined; and distributive character of economic growth was changed through large public investment.\textsuperscript{2} After 1967 Indira Gandhi's politics became decisively less ideological and more populistic. She tried to solve the electoral crisis of her party through populistic mobilisation, i.e., "Garibi Hatao" due to her relative isolation.\textsuperscript{3} But this populistic mobilisation continued to a long-term crisis. Indira Gandhi's electoral mobilisation and rhetorics used by all political parties like --popular participation, realisation of right, eradication of poverty, compensatory justice for the deprived, have led to a greater political articulateness of the ordinary masses. But this gave rise to a paradox, i.e., incompatibility between the institutional logic of democratic forms and the logic of


\textsuperscript{2} See Pranab Bardhan, 1984.

popular mobilisation.¹

The populist gimmicks aimed at illusory objectives could be no substitutes for viable and integrated policies for solving pressing social and economic problems. These populistic measures were proved retrogressive for the party in the long run. The 'personality cult' replaced the democratic values leading to centralisation and personalisation of power. The role of the party was increasingly more stunted and atrophied. Such a pursuit of individual interests triggered not just erosion of institutions but ultimately the state itself. Although Indira Gandhi wielded overwhelming power but not commensurate authority, hence the crisis of legitimacy. The complex dynamics of institutional breakdown are partly rooted in a socio-economic development that produced interest groups activism and sharp value changes and partly in a failure of distributive justice.

This new populism changed the nature of politics and its ideology. The political ideology was turned into a mere electoral and legitimacy discourse, use of banal rhetorics not meant to be translated into government policies; the politics into plebiscitary and confessional; elections into populist referendum devoid of its effectiveness. A logical corollary to this was the tendency towards centralisation of power of bureaucracy with simultaneous decline of parliament and the court. The ideological dimension was dramatised and political idiom was transformed from one of accommodation to conflict.²

The statised and populist strategy was further limited by the economic crisis in 1970s. The economy witnessed serious rise of inflation, followed by acute food scarcity and unemployment. There was a general decline in confidence in the state's capacity to solve

¹ The paradox, as T.N. Madan remarks, is that the more the mobilisation, the less the realisation of democratic ideals. If the Indian politics will become more democratic in terms of mobilisation, its values of secularism will be more deteriorated (T.N. Madan, 1987). There has enlarged a seeming conflict and also difference between two discourses become apparent. Now the lower (subaltern) discourse has started asserting itself and making it heard precisely through the opportunity and communication created by plebiscitary politics of Great (elite) one. (See Rajeev Dhavan, 1992; and Kaviraj, 1990).

² For an elaborate analysis of this aspect see chapter-10 of F.R. Frankel, 1978.
urgent socio-economic problem. The dialectics of centralised and populistic politics reached its logical end; the problems outgrew the state's capacity to solve them leading to a severe crisis; and the Congress response to this crisis was decidedly repressive resulting in the imposition of the Emergency in 1977. The distinctive features of the Emergency fundamentally derived from a three-dimensional crisis: a crisis of hegemony, a crisis of the political system and a crisis of leadership.¹

The crises did not end with Indira Gandhi rather are growing menacingly and sometimes the situations appear beyond redemption. The root cause of the present crisis situation may be attributed to the gross failure of distributive justice, of course, they may not be reduced down to it. The worst crisis now is the crisis of governability which is quite detrimental for realisation of the value of social justice as well as its beneficiaries, the lowest strata of the society. The institutional vacuum in the country, in turn, has germinated a number of political trends including coalition instability and substantial fluctuations in the political mood, criminalisation and communalisation of politics, frequent recourse to plebiscitary appeals to the mass electorate by all political parties, fundamentalisation of some primordial loyalties and ethnic identities. Thus, the resultant communal violence and other kinds of resurgence all over the country. Large scale poverty, gross failure of distributive justice, and immiserisation persists as the distribution will of the state is lacking.² While this allows the perpetuation of crisis-ridden state, its capacity to tolerate dissent and challenges to its authority is severely limited. The limits of tolerance are quickly transgressed unleashing an array of illegalities against dissidents.

India's omnipresent but feeble,\(^1\) weak-strong\(^2\) state conveys the paradox of a state that has in turn vacillated between autonomous and reflexive relations with the society in which it is embedded. It is centralised and interventionist and yet seems powerless. Its responses have varied over a wide range: indifference, sporadic concessions and repression. The ineffectiveness of repression, more over, has revealed the weakness of state and highlighted the breakdown of the civil machinery intended to enforce the victims of this crisis situation are the poor and the deprived, and the worst casualty of all the goals are equity and justice. Neither the benefits of the development trickle down to them automatically nor the state has a will or capacity to ensure it. Hence, the vicious circle.

The irony is that justice has been both the cause as well as the remedy of the crises, more specifically, the crisis of legitimacy.\(^3\) In this context, the renewed interest for social justice (i.e., implementation of Mandal Commission Report) should be reviewed. Whenever, there is a crisis or contradiction in the system, which the retarded capitalist development is bound to give rise, the ruling class highlights the new problem for pacification.\(^4\) The political leaders use a great deal of hypocritic and self-deceiving rhetorics like "social justice", "concern for the teeming millions", and populist myth-making about the "deprived", "down-trodden", "oppressed" to secure certain legitimacy for themselves and to boost their sagging morale and salvage them from their sense of guilt. If one measure fails they take new populist measures to create the illusion and false sense

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3. Very often, though not always, failure in the administration of justice has been the dominant cause of the malaise and consequent crisis of legitimacy. Moreover, the ruling class, being anxious to maintain its legitimacy, resorts to redistributive justice in order to contain the enormous expectations of the masses.
4. Most of the time, during the analysis of any socio-economic and political issue, the determining interconnections of social reality are obfuscated and problems are deliberately disconnected ruling class politics. The indepth study of the logic of power politics, the game of the ruling classes, reveals the real motive and the way the ruling class adopts to perpetuate its dominance. (See Randhir Singh, 1990).
of concern among the masses. No politician is an exception. This renewed interest for social justice is not essentially different from these dominant ethos. Characteristically, these populistic idioms are the coin of the defenders of the present inequitable system speaking for economically vulnerable people riven by fears of forfeiting the shrunken remnants of historic entitlements to modern hegemonic states.¹

Charles Elliot has rightly mentioned that all developing countries regimes use a Confidence Mechanism, i.e., it essentially allows a small number of individuals from a particular class or interest group to attain vertical mobility through a few narrow "access cones", while the bulk of the underprivileged masses are unable to escape from their class group, since the socio-economic structure as a whole operates relentlessly against their vertical mobility.² In India, the reservations and privileges for the SC and ST (and also for the other Backward Caste) are the examples of the confidence mechanism cone. Although the system creates illusion of providing vast opportunity for the vertical mobility of the depressed classes, yet the system, behind the veil of equal opportunity, allow only a small educated and affluent section of the upper middle class to compete successfully. The equal opportunity to all is just a myth since the socio-economic constraints deny the access to the multitudes to avail them. Elliot observes that while the confidence mechanism is sufficiently "open" to retain the competitors' confidence and bestow legitimacy on those who compete successfully, it operates to ensure the acquisition of direct or indirect benefit to those who control the mechanism. The main feature of the structure in that a relatively small group control much of the production and the fiscal distribution in such a way that prevents the downward mobility of the rich and ensures their upward mobility and stability because of the structural bias that are introduced and maintained in order to serve a

¹. See Burton Stein, 1991.
². See Charles Elliot, 1975:Chapter 1.
particular common interest of a specific group which has the power to impose its own set of preferences upon the structure.  

The bourgeois system and its ruling class have their own logic of operation as well as certain set of values and behaviour pattern. The few who reach the higher income bracket from the lower one through this cones of confidence mechanism tend to join the rank of dominant class. They now join the exploitative logic of the dominant class and try to grab as high a proportion of the benefits of development as possible by distancing themselves away from their fellow-beings. Thus, the compensatory justice meant for the deprived section fails to serve its purpose within the existing system. Now some pertinent questions arise: Can we really establish an egalitarian social and economic order through this mechanism of reservation without changing the inequitious socio-economic structure? How long can we manage with the populistic idioms as the measures of legitimisation process?

Whether the positive aspects of populism are worth the costs it involves may, however, be doubted. A populist upheaval may have successful impact in the short run, but is not likely to bring fundamental change in economic or political syste. It may in the long run cause disorder and destabilise existing institutions but cannot create any equitious order. In this sense, populism has dangerous implications for democracy and socio-economic development and development planning, in particular, is very sensitive to the deleterious influence of populist politics. The populistic ideology is detrimental to social justice and is used to sustain an unjust social order. This double dynamics of ideology is better grasped by Gramsci in the concept of hegemony. Since, a successful hegemony fails to incorporate the dreams and aspirations of all the under privileged class through a


2. This kind of paradoxes have already been discussed in the last chapter (iv).
genuine blue print for the future, a bastard form of hegemony only inauthentically absorbs a range of interests and neutralises those of the masses so as to put them to use for reasserting ruling class dominance. It produces a coalition of the Indian type. It is by its very nature temporary, although it may persist for a long through clever manipulation of loyalties.

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**THE RESULTANT OUTCOME**

Soon after independence, the political leadership adopted a particular paradigm of development and chalked out a programme of rapid economic development with a balanced growth of agriculture and industry, providing full employment and equitable distribution of income. They wanted to build a new society based on equity and justice by transforming the existing one through the appropriate development strategy and planning. But despite four decades of planning which meant to reconcile growth with distributive justice, the broad scenario of the national economy remains dismal. The entrenched social classes, the dominant structural forces in Indian society have taken a larger scale of development. State policies increasingly have come to serve the interests of the dominant classes -- the rich farmers, industrial capitalists, professional bureaucrats. Poverty, hunger, malnutrition have persisted in the rural areas partly because of the oppression and extortion of the landed caste in the countryside and partly because of the failure of government policies due to its partisan character. The locally dominant class and bureaucrats have taken undue advantages of the welfare and ameliorative programmes and have

1. See Gramsci, 1971. He distinguishes between bastard form of hegemony and successful hegemony. The former produces a passive consensus and leads to "passive revolution" as in case of India. Successful hegemony must become a genuine blue print for the future, incorporating the dreams and aspirations of all the under privileged classes (See Jayant K. Lele, 1990:23).
extracted benefits and profits for themselves. This failure in delivering goods is the symptomatic of serious malaise in the structural root of the system and of the basic contradiction in the very development strategy.

The basic paradoxes of the development paradigm lies in the very initial choice of the ruling bloc of dominant proprietary classes\(^1\) which was guided by the long-term structural compulsions.\(^2\) This choice, in an historical sense, obviously structured all other choices. It provided the initial condition for and pressures towards a "passive revolution"\(^3\) strategy. This strategy, taken in the formative period of the state, has acquired fundamental and determining character and left an indelible impact on its resultant consequences. The capitalist passive revolution through industrial development and gradual and conservative agrarian transformation was trapped in the logic of bureaucratisation which treated the people not as autonomous subjects but as mere lifeless objects of the development process.\(^4\) The state also failed in providing a wider base for development and reconstititution of relationship between the state and the social world.

The pursued path of capitalist development in the presence of retrograde structures and with government initiative in different areas helped in the construction of a retarded capitalism creating contradictory tableau of growth and poverty. The development

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1. The dominant proprietary classes, used by Pranab Bardhan, refers to the industrial capitalists, rich farmers and the professional bureaucrats. (See Bardhan, 1984).

2. Long-term structural compulsions arise, in several well-known ways: i) inclusion of the Indian economy in the capitalist international market and its division of labour, ii) the inherited structure of colonial economic retardation, and iii) the fundamental choice exercised by the leadership of the new Indian state in favour of the capitalist strategy of economic development through a set of basic legal and institutional forms, i.e., the enactment of industrial and agrarian policy and other similar initiatives (See Kaviraj, 1988; also see Bardhan, 1984; Frankel, 1978; Ranjit Sau, 1981). This has also been discussed elaborately in the earlier part of this chapter.

3. The term "passive revolution", used by Gramsci, has already been explained.

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paradigm initiated by the ruling elite based on reductive economistic theory of social change - the change through economic growth - was ahistorical and also oblivious of the socio-economic reality. The inadequacy of planning and the mistaken assumption of social reconstruction has given rise to unintended consequences.

The development strategy has bred gross inequalities and polarisation of national economy in becoming sharper.\(^1\) On the one hand there is a new world of modern organised sector\(^1\) that comprises the upper segment of the system who are busy retaining their share in the comforts and luxury goods and along the high tide of development. On the other hand traditional ‘unorganised sector’ comprises lower segment. Even the dichotomy within the traditional sector of our economy is getting accentuated with people having command over resources forming one group while the resourceless people from different world of poor to which most of the SCs and STs belong. Since last four decades these people have remained untouched by the development process. The very little that is left with ordinary people is being snatched away on the strength of law or by sheer force and money power and it is getting accumulated at the other end making the dichotomy sharper.

The welfare state has proved to be a major defence of the capitalist and inequitious social order.\(^2\) The faith in the market and technological solution had caused the collapse of the welfare state and of those components of development that were directed to the amelioration and welfare of the under-privileged. In the present computerised form of capitalism the masses comprising the unorganised sector have become the target of exploitation. The welfare policies (meant for the amelioration of the poor) declared by successive governments and reiterated through five-year plans documents, political

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2. See Kothari 1989:60-64. The welfare ideology had been discussed in chapter-1.
speeches and electoral slogans, have continued to be in the reverse direction. The
dissonance between what needs to be done and what is actually done is presented in the
form of stupefying statistics.¹ There is no hesitation in favouring the vested interests
entrenched in the old as well as new structures under the grab of policies, principles and
law. The failure of welfare measures has revealed the transient character of the polity.
The approach based on charity and pitey can hardly make a dent in the inequitous socio-
economic structure without changing the very base that breeds and perpetuates the
prevailing injustice.

The persistence of widespread extreme and endemic poverty in India after forty
years of independence raises fundamental issues concerning the appropriateness of its
economic development strategy and its commitment and ability to eliminate poverty and
equality. The commitment in the early 1970s by Indira Gandhi government to new
approaches to abolish poverty and the failures of most of the programmes adopted since
then to achieve that goal reveal some of the basic limitations of the Indian political system
and the constraints imposed by the dominant classes in the Indian state and in the
countryside unsuccessful formulation and implementation policy innovations on behalf of
the poor. Now the fundamental question arises: Can the extreme poverty and inequality
be eliminated without major structural changes?

The main benefits of increased income and expenditure accrued to the upper
middle and richer sections of the population and the bottom forty percent, that is, virtually
all the poor, did not bebefit at all from the economic changes.² The 'trickle down' theory
of both industrial and agrarian policy has been a total failure. The renewed effort for
elimination of poverty by Indira Gandhi government in 1970s provided the central political

¹. Ibid., 186.
leadership with vast patronage resources to be disbursed to state and districts throughout the country. But the continued dependence upon the bureaucracy and the dominant rural classes for political support in the countryside made a mockery of the effort. The adoption of these programmes to the machination of the dominant rural oligarchy in cooperation with corrupted and cynical bureaucracy is preferred to more radical solution because they do not threaten the hegemony of dominant rural castes and classes and they are sustained in large part because they benefit those same caste and classes and provide vast new sources of corrupt income to demoralised, inefficient and cynical bureaucracy.¹

The fruits of progress have been held secured for certain sections of society. Institutions and programmes have become static and vacuous and failed to restructure social reality.² As a result of which they have become instruments of privilege and centration of power rather than of equality and justice. The policies of the state because of uncontrolled growth of bureaucracy have lost some of their cohesion. The arguments of social justice are very often used as an unanswered justification and instrument of legitimacy for the encouragement of nepotism and corruption. Any plea for equity and justice in broader context of national economy is a mere plea for non-justified benefits of an inequities system. Even if the policy of compensatory justice is implemented with full responsibility and honesty in an highly inequities system of ours, it benefits small better-of segment of the weaker section. Hence a highly anomalous situation is being created. This partnership in injustice in the name of justice acquires the demeanour of justice. And in such a milieu not only ignoring the broader issues of justice and equity but even opposing the same also tend to be justified and rationalised.

1. See P.R. Brass, 1990: 269; Also see Frankel, 1978.

2. See Kothari, 1989: 29. For such related issues see Frankel, 1978.